

City Commission meetings are broadcast live on TV Fargo Channel 56 and online at www.FargoND.gov/streaming. They are rebroadcast Mondays at 5:00 p.m., Thursdays at 7:00 p.m. and Saturdays at 8:00 a.m. They are also included in the video archive at www.FargoND.gov/citycommission.

- A. Pledge of Allegiance.
- B. Roll Call.
- C. Approve Order of Agenda.
- D. Minutes (Regular Meeting, April 18, 2022).

CONSENT AGENDA – APPROVE THE FOLLOWING:

- 1. Interest Buydown Agreement and Escrow Agreement – Pace Program with the Bank of ND for the purpose of a buy down on the interest loan received by Epic Gateway N RE Holdings LLC.
- 2. Letter of Support for the PharmaMed Automation, Inc. project to the North Dakota Opportunity Fund.
- 3. Reject the bids for the Civic Center Parking Ramp vertical expansion and reconsider the project in 2023 (AFB22060).
- 4. Receive and file the following Ordinances:
 - a. Relating to Classification of Ordinance Violations.
 - b. Relating to the International Building Code.
 - c. Relating to the International Residential Code.
 - d. Relating to the International Existing Building Code.
 - e. Relating to the International Mechanical Code.
 - f. Relating to the International Fuel Gas Code.
 - g. Relating to the International Property Maintenance Code.
 - h. Relating to the International Energy Conservation Code.
 - i. Relating to Fire Protection and Prevention.
- 5. Site Authorizations for Games of Chance:
 - a. Special Olympics North Dakota at Rooters Bar.
 - b. Boys and Girls Club of the Red River Valley at Fargo Billiards/Gastropub.
 - c. Fargo Metro Baseball Association at Specks Bar.
 - d. Fargo Metro Baseball Association at Empire Tavern.
- 6. Application for Games of Chance:
 - a. Fargo Rotary FM for a raffle on 6/21/22.
 - b. NDSU Judging Club for a raffle on 6/6/22.
- 7. Application to add a new owner on the Class “ABH-Limited” Alcoholic Beverage License at the Fargo Residence Inn located at 4335 23rd Avenue South.

Extension of the Class "AC" Alcoholic Beverage License for the Northern Prairie Performing Arts d/b/a The Stage at Island Park, Fargo Moorhead Community Theatre until 11/1/22.

9. Agreement for Special Improvements with Tillstone Group, LLC (Special Improvement District No. BN-22-F1).
10. Agreement for Special Improvements with Scheels All Sports, Inc. (Special Improvement District No. BN-22-K1).
11. Use of CARES funds to provide cleaning services at the Downtown and Carlson Libraries.
12. Access Easement (Street, Water and Sewer) with Southeast Cass Water Resource District.
13. Pond Access and Maintenance Easement with Tillstone Group, LLC.
14. License Agreement with USA Department of Energy Western Area Power Administration (WAPA).
15. Memorandum of Offer to Landowner for Easement (Temporary Construction Easement) with Adam and Marcy Rinas (Project No. FM-19-C).
16. Change Order No. 1 in the amount of \$10,360.00 and Final Balancing Change Order No. 2 in the amount of \$11.50 for Project No. PR-21-A1.
17. Bid advertisement for Project No. SR-22-C.
18. Bid awards for the following Projects:
 - a. No. SL-22-A1.
 - b. No. TN-22-B1.
 - c. No. TP-21-B1.
19. Sole Source Procurement for a three-year period for replacement purchases through several existing vendors at the FARGODOME (SSP22081).
20. State Water Commission request for cost reimbursement for the Fargo-Moorhead Metropolitan Area Flood Risk Management Project in the amount of \$5,062,879.53.
21. Notice of Grant Award with the ND Department of Emergency Services Division of Homeland Security for the FY 2020-2021 Hazardous Materials Emergency Preparedness Training Grant (CFDA #20.703).
22. Bid award for Architectural Design Services for Fire Stations 2 and 8 (RFQ22059).
23. Bid award for mowing of tall grass and weeds – code enforcement (RFP22049).
24. Resolution Approving the 2022 Annual Action Plan, Analysis of Impediments to Fair Housing and Amendments to the 2021 Annual Action Plan for the Community Development Block Grant (CDBG) and HOME Programs.
25. Resolutions approving Plats for the following:
 - a. Bank Forward Addition.
 - b. University South 3rd Addition.
 - c. West Acres Seventh Addition.
26. Request to solicit proposals for an upgrade to the indoor firearms range.

27. Bid award for 2022/2023 highway deicing salt contract (RFP22068).
28. Change Order No. 2 for an increase of \$18,690.00 for the GTC Exterior Renovation.
29. Contracts and bonds for Project Nos. SR-22-B1 and UR-21-B1.
30. Bills.
31. Memorandum of Offer to Landowner for Easement (Temporary Construction Easement) with Wal-Mart Real Estate Business Trust for Improvement District No. BN-22-F1.
32. Create Improvement District No. BN-22-F.
33. Declare protests sufficient and reject all bids for Improvement District No. AN-22-A1.
34. Bid award for the following Improvement Districts:
 - a. No. BN-22-K1.
 - b. No. PR-22-C1.
35. Contracts and bonds for Improvement District Nos. BN-22-J1 and PR-22-F1.

REGULAR AGENDA:

36. **RESIDENT COMMENTS (Fargo residents will be offered 2.5 minutes for comment with a maximum of 30 minutes total for all resident comments. Residents who would like to address the Commission, whether virtually or in person, must sign-up at FargoND.gov/VirtualCommission).**
37. ***Public Input Opportunity* - PUBLIC HEARINGS - 5:15 pm:**
 - a. Application to transfer a Class "ABH-RZ" Alcoholic Beverage License from The Hotel Donaldson, LLC d/b/a Hotel Donaldson to Blarney Stone Pub HoDo, LLC d/b/a Blarney Stone Pub HoDo to be located at 101 Broadway.
38. Recommendation for appointment of the Director of Finance.
39. Presentation on the North Dakota Department of Transportation's funding proposal.
40. Recommendation to approve the Amended Engineer's Report for the 32nd Avenue South Reconstruction Project.
41. Commissioner Piepkorn would like to have a discussion regarding the new elementary school being built in the Rocking Horse Farm Addition and the potential lost revenue to the City of Fargo.
 - a. Bid award for Improvement District No. UN-22-M1.
 - b. Agreement for Early Building Permit with West Fargo Public School District #6 (Improvement District No. UN-22-M1).
42. Status Report on Tax Increment Financing Districts.
43. Proposals for the sale of City owned property located at 401 3rd Avenue North.

Page 4 People with disabilities who plan to attend the meeting and need special accommodations should contact the Commission Office at 701.241.1310 at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Minutes are available on the City of Fargo website at www.FargoND.gov/citycommission.

MEMORANDUM

TO: Liquor Control Board

FROM: Steven Sprague, City Auditor

SUBJECT: Liquor License Application – HoDo –Blarney Stone

DATE: April 18, 2022

The following application for a liquor license transfer was received by the Auditor's office and reviewed by the Liquor Control Board:

License Class: ABH-RZ – Renaissance zone boutique hotel
Business Name: Blarney Stone Pub - HoDo
Location: 101 Broadway
Applicants: James Poolman, Dustin Hollevoet, Chad Wachter & Timothy Conover

This application is for the transfer of the HoDo liquor license. The new ownership group intends to continue operating the hotel and modify the restaurant/bar into a Blarney Stone, a business concept they have had success with in Bismarck and West Fargo.

Being no significant concerns, staff recommends approval of the issuance of a Class ABH-RZ alcoholic beverage license to Blarney Stone Pub HoDo LLC d/b/a Blarney Stone Pub HoDo. The complete application is available for review in the Auditor's Office.

Recommended Motion:

Move to approve the issuance of a Class ABH-RZ alcoholic beverage license to Blarney Stone Pub HoDo, LLC d/b/a Blarney Stone Pub HoDo.



Fargo Police Department

To: Chief David Zibolski

From: Sergeant Carlos Nestler *CNestler*

Date: April 12th, 2022

RE: Liquor License Transfer Application (Blarney Stone Pub HoDo)

Application for transfer of a Class "ABH-RZ" Alcoholic Beverage License from The Hotel Donaldson, LLC d/b/a Hotel Donaldson, to Blarney Stone Pub HoDo, LLC d/b/a Blarney Stone Pub HoDo to be located at 101 Broadway, Fargo.

In accordance with Section 25-1505 of the Fargo Municipal Code, I have conducted an investigation into the character, reputation and fitness of the applicant(s) listed on the supplied application.

During this investigation I examined the applicant's credit report and public records criminal background.

The following information was discovered through this investigation:

Poolman, James Alan – Owner

Criminal History-	A search of Fargo Police Department criminal records, North Dakota public records (publicsearch.ndcourts.gov) and Minnesota public records (https://chs.state.mn.us/) showed no criminal activity.
Credit History-	James A. Poolman's credit report was reviewed. There are no prior bankruptcies, past due accounts or debts turned over to collections.

Hollevoet, Dustin Allen – Owner

Criminal History-	A search of Fargo Police Department criminal records, North Dakota public records (publicsearch.ndcourts.gov) and Minnesota public records (https://chs.state.mn.us/) showed no criminal activity.
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Fargo Police Department

Credit History-

Dustin A. Hollevoet's credit report was reviewed. There are no prior bankruptcies, past due accounts or debts turned over to collections.

Wachter, Chad Adrian – Owner

Criminal History-

A search of Fargo Police Department criminal records, North Dakota public records (publicsearch.ndcourts.gov) and Minnesota public records (<https://chs.state.mn.us/>) showed a Driving Under Suspension charge from 1991 in North Dakota. This was disclosed on his application.

Credit History-

Chad A. Wachter's credit report was reviewed. There are no prior bankruptcies, past due accounts or debts turned over to collections.

Conover, Timothy Joseph – Manager

Criminal History-

A search of Fargo Police Department criminal records, North Dakota public records (publicsearch.ndcourts.gov) and Minnesota public records (<https://chs.state.mn.us/>) showed:

1. MIP in 2003, Bismarck Municipal Court
2. Guests on Premises in 2006 in Bismarck Municipal Court (guests at residence being loud)

Credit History-

Timothy J. Conover's credit report was reviewed. There are no prior bankruptcies, past due accounts or debts turned over to collections.



Fargo Police Department

Investigation Notes

This application is for a transfer of a class "ABH-RZ" Alcoholic Beverage License which authorizes the licensee to sell "on-sale" or "off-sale", to hotel guests in a Renaissance Zone with 15 guestrooms.

When I first ran Chad A. Wachter's credit report, the result was "Experian file frozen due to federal legislation." It appears a credit report can be "frozen" by the consumer to make it harder for identity thieves to open new accounts in the consumer's name. I spoke to Chad over the phone. He explained he had his credit reports frozen because he had numerous credit cards attempted to be opened in his name. Mr. Wachter was able to have Experian send him his credit report, which was forwarded to me. The file he sent me was from Experian and it was a very detailed credit report.

Business Location

The Blarney Stone Pub HoDo will be located at 101 Broadway, Fargo, ND. Other businesses in the area with an alcoholic beverage license include: Rooter's Bar, JL Beers, Pounds, Fort Noks, Wurst Bier Hall and The Old Broadway.

Conclusion

This background investigation is being forwarded for your review and recommendation to the City of Fargo Liquor Control Board.

Charles W. Mertes

RECEIVED FARGO POLICE DEPARTMENT
APR 12 2022
DAVID B ZIBOLSKI CHIEF OF POLICE
REF: S. SPRAGUE

- RECOMMEND APPROVAL -



38

May 2, 2022

To: Board of City Commissioners
Fr: Michael Redlinger, Assistant City Administrator
Re: Recommendation to Appoint Director of Finance

Background: The City of Fargo, in conjunction with its executive search consultant, Baker Tilly, recently advertised, recruited, and screened prospective candidates for the position of Director of Finance. A total of 18 applications were received for the position. The week of March 21, 2022, six (6) applicants participated in virtual first-round interviews. Following this initial screening, on April 11, 2022 Ms. Terri Gayhart visited Fargo to tour the community and interview for the position. A selection committee was formed to interview the candidate, consisting of the following members:

- Dr. Tim Mahoney, Mayor
- Bruce Grubb, City Administrator
- Michael Redlinger, Assistant City Administrator
- Jamie Bullock, Accountant
- Julie Bommelman, Transit Director
- Ron Gronneberg, Chief Information Officer
- Dr. Terry Hogan, Director of Diversity, Equity & Inclusion
- Tom Knakmuhs, Assistant City Engineer
- Jill Minette, Human Resources Director
- Susan Thompson, Fargodome Finance Director

In addition to the selection committee, City staff from several departments met with the candidate and participated in a question and answer session on the day of the interview. Further, on April 10, 2022, the candidate was provided a community tour to gain an understanding of the community, its neighborhoods, businesses, and the City of Fargo's governmental facilities.

Selection Committee Recommendation: The April 11, 2022 in-person interview was scored independently by each committee member. The candidate was presented leadership, technical, and behavioral questions from the following areas:

Attraction to the City of Fargo
Audit

Leading/Managing Change

Providing Financial Advice

Situational Awareness

First 90 Days & First Year Work Plans

Government Accounting

Debt Management

Equity, Diversity, & Inclusion

Personal Accountability

Vision/Leadership

Following the interview process, the selection committee recommends the appointment of Ms. Terri Gayhart to the position of Director of Finance.

Recommended Action: Approve the appointment of Ms. Terri Gayhart to the position of Director of Finance.

Attachment: Terri Gayhart Resume

TERRI L. GAYHART, M.B.A., C.P.A., C.G.M.A.



CAREER SUMMARY

Finance & Accounting Professional with more than 20 years of experience as an innovative, proactive problem-solver in all phases of financial operations. Demonstrated performance in:

Budget Creation for Strategic Planning	Investment Vehicle Analysis
Leadership and Team Building	Financial Analysis
Department Management	Complete Financial Audit
Financial Statement Creation	Financial Reporting

PROFESSIONAL EXPERIENCE

AMERICAN QUARTER HORSE ASSOCIATION, Amarillo, Texas

2021 to present

International Non-Profit dedicated to preserve the American Quarter Horse

Director of Finance

Assisting the preparation of Annual Audit Report, 990, supervise accounting, accounts payable, budget, audit and reporting.

- Reviewed accounting practices for appropriateness and improvement
- Reviewed workflow of custom software for appropriate outcomes
- Organized workpapers and workflow of annual audit
- Moved Association from modified accrual to full accrual accounting
- Revised and improved monthly financials
- Serving on committee to migrate to new ERP System

CITY OF LAS CRUCES, Las Cruces, New Mexico

2019 to 2021

City of 100,000 residents with a firm basis in the aerospace and oil field industries.

Director of Financial Services

Assisting in the preparation of the CAFR, and single audit reports, supervise accounting, purchasing, accounts payable, payroll and investments.

- Initiated review of purchasing department and policies toward best practices
- Drafted Purchasing Policy
- Initiated review of investment policy, state statutes, and best practices
- Drafted Investment Policies
- Initiated review of travel policies and elimination of alcohol from policy
- Drafted Travel Policy
- Initiated shift from cash basis accounting to accrual basis for budget
- Reviewed and corrected practices in payroll and worked with IRS to lower fines
- Reviewed the McHard Report and made recommendations to end the County Music Festival and or facilitate best practices if it were to proceed.
- Review audit workpapers and draft MDA
- Organize bond sales and ratings calls
- Introduce an analytical process to create budget estimates and a budget forecast
- Introduced a better methodology to estimate Incurred but not recorded Medical Claims
- Managed budget creation for Risk Management
- Introduced new sales tax, hotel motel and franchise fee audit firm
- Lead management through process to pay cash for the entire fleet of fire trucks
- Assisting management through the financial process to build new convention center

TERRI L. GAYHART, M.B.A., C.P.A., C.G.M.A.

CITY OF ODESSA, Odessa, Texas

2015 to 2019

City of 125,000 residents with a firm basis in the oil field industry.

Finance Director

Assisting in the preparation of the CAFR, and single audit reports, supervise accounting, grants, accounts payable, payroll and investments.

- Migrate the City to a new comprehensive ERP system.
- Draft financial policies to coordinate with ERP implementation.
- Maintain and procure solid investments, doubling previous investment income
- Introducing a new purchasing/purchase order system to include all purchases
- Assisted in the preparation of an RFP process and consultant to choose a new bank
- Negotiating a contract to perform an inventory of all City assets, to work with work order system
- Working with staff and departments to encourage a full and better use of current ERP system
- Introducing new payment methods to Accounts Payable including direct deposit and single use credit cards
- Assist in drafting response to rating agencies
- Introduce an analytical process to create budget estimates and a budget forecast
- Introduced a better methodology to estimate Incurred but not recorded Medical Claims
- Managed budget creation for Risk Management
- Introduced new sales tax, hotel motel and franchise fee audit firm
- Lead management through process to pay cash for the entire fleet of fire trucks
- Assisting management through the financial process to build new convention center

VILLAGE OF MOUNT PLEASANT, Mount Pleasant, Wisconsin **2013 to 2015**

A Village of 26,200 residents exhibiting a record for superb economic development.

Finance Director

Drafting financial statements, supervise accounting, accounts payable, payroll, investments, human resources, and risk management.

- Migrate the Village to a new comprehensive ERP system
- Draft investment policy, purchasing policy, debt service policy, fund balance policy
- Draft RFP for Banking Services
- Supervise inventory of all Village assets
- Creation of comprehensive internal control system
- Statement of Taxes, TIF Increment Financing, and meticulous oversight of collection process
- Supervise Human Resources, Payroll, Accounting, and Accounts Payable.
- Draft Financial Statements
- Coordinate response to MCDC initiative

TERRI L. GAYHART, M.B.A., C.P.A., C.G.M.A.

MILWAUKEE AEA TECHNICAL COLLEGE, Milwaukee, WI

2006 to 2013

Technical College with a diverse enrollment of 51,713 students.

Controller

Drafting financial statements, supervising all general ledger activities, supervision over reports to the Corporation for Public Broadcasting.

- Meticulous oversight of all general ledger entries, training staff on procedures to more efficiently record activity, resulting in faster and more accurate reporting.
- Led the finance team through preparation of work papers, preparation of draft CAFR and Public Television financial statements and personally responsible for M D and A.
- Member of the budget committee with direct responsibility for all revenue estimates and preparation of \$330M budget document.
- Member of grant committee, manager of grants accounting, preparer of Schedule of Federal and State Awards and indirect cost proposal.
- Member of FTE committee and development of FTE projections for all campuses.
- Responsible for generating Cost Allocation Reports to WTCS.
- Responsible for monthly operating fund variance report provided to Board.
- Thorough knowledge of Wisconsin Technical College System rules and financial accounting procedures.
- Member of implementation team for SciQuest, Image Now, ACH payments, Ghost Cards, Chef Tek and MBS systems. Fluent in Ellucian, Access, Excel, and Monarch.
- Responsible for Fixed Asset inventory, marrying inventorying system with depreciation package, and reconciliation.
- Well-versed in request-for-proposal preparation and state contract utilization.
- Responsible for numerous cost saving practices for the College.
- Knowledgeable of non-profit/foundation accounting practices to insure compliance.
- Implemented GASB 43 and 45 accounting practices for OPEB Trust and assisted Human Resources in providing assumptions and information for actuarial report.
- Member of committee assigned with task of analyzing program costs and providing recommendations for adjustments.
- Led IRS staff through audit of the college.

CITY OF BURLINGTON, Burlington, WI

2000 to 2006

Community of 10,000 in western Racine County, experiencing significant economic growth.

Finance Director and Treasurer

Drafting financial statements, supervising all general ledger activities, preparing reports for the Public Service Commission and State of Wisconsin Department of Revenue to assure compliance.

- Implemented new three-year budget according to State statutes and GASB standards, streamlining budget process and simplifying reporting.
- Led finance team through adoption of GASB 34 financial statement standards, bringing city into compliance with mandated requirements well ahead of deadline.
- Meticulous oversight of all general ledger entries, training staff on procedures to minimize errors, resulting in faster, more accurate reporting.

TERRI L. GAYHART, M.B.A., C.P.A., C.G.M.A.

EDUCATION

BS, Accounting, *Magna cum Laude* State University of New York, Oswego, New York
MBA, Pub Admin, *Summa cum Laude* Concordia University Wisconsin, Mequon, Wisconsin



Fargo-Moorhead Metropolitan
Council of Governments

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To: Fargo City Commission
From: Cindy Gray, Executive Director
Date: April 27, 2022
Re: **Federal Funding as Transportation Management Area**

On April 21st, I explained the Transportation Management Area (TMA) funding scenario being proposed by NDDOT to Metro COG's Policy Board (see attached letter from NDDOT). The proposal raised some concerns among Policy Board members, and I was asked to bring the matter to the full boards and commissions of Fargo, Horace, West Fargo and Cass County for further discussion.

The questions that Metro COG wishes to explore further with NDDOT are explained in the attached response to the NDDOT Local Government Division. Much of the discussion revolves around the future use of National Highway Preservation Program funds on the National Highway System roadways within our metropolitan area.

I will explain this at the meeting on May 2nd, and ask for support from City and County leadership in pursuing this matter further with NDDOT leadership.



March 25, 2022

Ms. Cindy Gray
Executive Director
Fargo-Moorhead Metro COG
Case Plaza Suite 232
One 2nd Street North
Fargo, ND 58102

**FARGO-MOORHEAD METROPOLITAN COUNCIL OF GOVERNMENTS (FMCOG)
TMA PROJECT PROGRAMMING PRIORITIES 2023-2025**

The North Dakota Department of Transportation (NDDOT) and FMCOG have been working together to identify upcoming process changes as FMCOG transitions to TMA status in fiscal year 2023. As a TMA, FMCOG will have responsibilities for selecting projects and programming funds. NDDOT, with assistance from FHWA-ND, prepared an estimate of funds for suballocation to the TMA. This estimate, shown below, is provided for planning purposes and is subject to change as final information is made available at the federal level.

Apportionment/OA ratio at 90%				
	2023	2024	2025	2026
STBG	\$8,716,724	\$8,891,058	\$9,068,879	\$9,250,257
TA	\$725,159	\$742,285	\$759,753	\$777,571
Carbon Reduction	\$1,023,139	\$1,043,602	\$1,064,474	\$1,085,763
NHPP (share proportional at % of NHS System)	\$1,857,890	\$1,895,047	\$1,932,948	\$1,971,607

To date, FMCOG and NDDOT have worked together to identify Urban and TA project priorities for the TIP/STIP for the fiscal years 2023-2025. Below is a list of the programmed projects and the recently submitted TA applications for 2025:

Urban Roads/Regional Programmed Projects

2022P Fargo 52nd Ave S (63rd St to Sheyenne)
2022P Fargo Transit Capital Bus Purchase
2023 Fargo 42nd St/I-94 Separation Structure Rehabilitation
2023P Fargo Main Ave (University to 25th St)
2023P Fargo Transit Capital Bus Purchase



608 East Boulevard Avenue | Bismarck, ND 58505-0700 | dot.nd.gov
TOLL FREE: 1-855-637-6237 | FAX: (701) 328-0310 | TTY: 711



Ms. Cindy Gray
March 25, 2022
Page 2

2024 West Fargo Main Ave near Sheyenne River Slide Repair
2024P Fargo 32nd Ave S (25th St to University)
2025 West Fargo 9th St E (Main Ave to 12th Ave N)
2025P Fargo 12th Ave N & BNRR Bridge – Structure Items, Structural Steel Zone Painting
2025P Fargo 36th St S at Rose Coulee – Deck overlay, rail retrofit, reset approach guardrail

TA Programmed Projects

2023 Fargo Bison Village/10th St N
2023 Horace County Rd 17 Shared Use Path
2023 Horace Center Ave Improvements
2024 West Fargo Eaglewood – The Lights Bike Path

TA Applications Received

2025 Fargo Milwaukee Trail to Drain 53 Shared Use Path
2025 West Fargo Soccer Complex – Elmwood Park Bike Path
2025 Horace County Road 17 Shared Use Path Phase 4

As you know, the project development process takes time, and as such, it is crucial to ensure that all jurisdictions are working on projects intended to be funded through the TMA. FMCOG should review the estimate of funds and the list of projects to determine adjustments that may be needed, such as adding projects or adjusting funding years. It is through this letter that NDDOT is asking FMCOG to confirm that the projects listed above continue to be the urban and TA programming priorities for the TMA. Please sign and return this letter to confirm the priorities. If you have any questions regarding this request, please contact me at 328-2217 or Stacey Hanson at 328-4469.



PAUL M. BENNING, P.E., LOCAL GOVERNMENT ENGINEER

38/smh

I confirm that the listed projects continue to be the Urban and TA programming priorities.

Cindy Gray, Executive Director

Date



Fargo-Moorhead Metropolitan
Council of Governments

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www.fmmetrococog.org

April 26, 2022

Mr. Paul Benning, P.E.
Local Government Engineer
608 East Boulevard Avenue
Bismarck, ND 58505-0700

Subject: Fargo-Moorhead Metropolitan Council of Governments (Metro COG) TMA Project
Programming Priorities 2023-2025 and Funding Information Provided by NDDOT

Dear Paul:

Thank you for the time and conversation with Local Government staff in recent months as Metro COG prepares to transition into a Transportation Management Area (TMA). We understand that this MPO designation is new to NDDOT, just as it is new to our organization. We appreciate the thought and time that has been put into preparing for the designation.

Your letter of March 25, 2022 provided an estimate of funds that will be directly sub-allocated to the TMA, as well as information about NDDOT's intentions with respect to NHPP funds. In that letter, you requested that we review the estimate of funds and the projects currently programmed in the Transportation Improvement Program and confirm that the projects included continue to be the urban road and transportation alternative program (TAP) priorities for the TMA.

In April, we brought the information in your letter forward to our Transportation Technical Committee and our Policy Board. We provided the funding information shared in your letter of March 25, 2022 along with the estimated costs of the programmed projects. Generally speaking, the TTC and Policy Board confirmed that the projects included in the TIP continue to be priorities for the Cities of Fargo, Horace, and West Fargo. However, the review and discussion of the information raised several questions that we have been asked to pursue with NDDOT, and until we have answers to those questions, I am not fully able to say that this is the complete list of priority projects. Policy Board members also asked that this information be presented to the Cass County Board of Commissioners, Fargo City Commission, Horace City Council and West Fargo City Commission.

Transportation Funding Information

The following is a breakdown of the information you shared with us in your letter regarding funding:

North Dakota STBG Apportionment with Obligation Authority Ratio Estimated at 90 Percent				
Year	2023	2024	2025	2026
Surface Transportation Block Grant (STBG)	\$8,716,724	\$8,891,058	\$9,068,879	\$9,250,257
National Highway Preservation Program (NHPP) - share proportional at % of National Highway System (NHS)*	\$1,857,890	\$1,895,047	\$1,932,948	\$1,971,607
Yearly Estimated Total	\$10,574,614	\$10,786,105	\$11,001,827	\$11,221,864

*NDDOT has indicated NHPP funds can be used as STBG.

North Dakota TA Apportionment with Obligation Authority Ratio Estimated at 90 Percent				
Year	2023	2024	2025	2026
Transportation Alternatives (TA)	\$725,159	\$742,285	\$759,753	\$777,571

North Dakota Carbon Reduction Apportionment with Obligation Authority Ratio Estimated at 90 Percent				
Year	2023	2024	2025	2026
Carbon Reduction	\$1,023,139	\$1,043,602	\$1,064,474	\$1,085,763

During follow-up conversations, NDDOT staff indicated that the proposed NHPP funds could be used as STBG funds, and not limited to NHS roadways.

Attachment 1 to this letter shows the total of 2022-2025 funding based on information provided by NDDOT in comparison to the programmed projects. The first year shown is the current year of 2022, which is pre-TMA, since our designation will not occur until October 1, 2023. As you can see from the tables for 2023 and 2024, NDDOT has two projects programmed in our TIP – one in 2023 and another in 2024 – on Main Avenue (US Highway 10). These two projects are programmed to use NHPP funds totaling approximately \$12.4 million. This raises a few questions, some of which are specific to these projects, and some which are more relevant to the overall proposed TMA funding scenario:

1. Is it NDDOT's intent to use NHPP funds for these two state projects as currently programmed in the TIP and STIP?

These projects were programmed when it was clear that Metro COG would be transitioning to a TMA. The mock certification review was completed, and an estimate of Metro COG's STBG funding was underway for use in the MTP. Since Main Avenue is on the US Highway System and under jurisdictional control of NDDOT, we believe these NDDOT projects should continue to use programmed NHPP funds. Metro COG believes that NDDOT should maintain those roadways under their jurisdictional control, continuing the cooperation with the Cities of Fargo and West Fargo. Metro COG and our local partners are open to participating in those projects on a case-by-case basis, and would ask NDDOT to engage us during the annual solicitation process to determine financial participation.

If the funding programmed for these projects remains the same, Metro COG needs to begin working with our local jurisdictions immediately to program additional projects to use the remaining STBG direct sub-allocation, since projects selected during the solicitation process do not use up the expected direct sub-allocation.

2. If it is NDDOT's intent to use NHPP funds for these two projects, would the proposed sharing of NHPP funds in 2023 and 2024 (\$1,857,890 and \$1,895,047 respectively) be in addition to the NHPP dollars designated for these projects or included in the amounts designated.

It is important that we understand this so we can work with our local jurisdictions to ensure programming of the correct amount of funds.

3. If it is not NDDOT's intent to use NHPP funds on NHS roadways within the urbanized area on a case-by-case basis, would we also be required to fund projects on State jurisdiction roadways with STBG funds in perpetuity without access to additional NHS funding?
4. Moving forward to future years, Metro COG and our local jurisdictions believe it would be more fitting for the continued use of NHPP funds in our metro area on a project-by-project basis on the non-interstate portions of designated highways within our urbanized area, as opposed to accepting an annual amount equivalent to approximately one percent of the state's NHPP allocation.

Our urbanized area has heavily traveled roads such as US Highway 81 (19th Avenue N, University Drive and 10th Street), Highway 294 (12th Avenue N), and Highway 10 (Main Avenue). Roadways such as 19th Avenue N already need reconstruction, and should be reconstructed with the use of NHPP funds.

Discussions with other TMAs and State Departments of Transportation in Minnesota, Iowa, Wisconsin and Kansas have informed us that those states use NHPP funds on non-interstate roadways within their TMA urbanized areas. We do not understand why NDDOT would not continue to use those funds on the NHS-designated non-interstate roadways for which the state is responsible.

5. In 2021, NDDOT programmed a 2025 bridge project on 12th Avenue N at the BNRR Bridge using STBG funds. This project did not go through our MPO prioritization process, yet the programming of the project shows the use of STBG funds.

This is an example of a project that would be appropriate for the use of NHPP funds, since the roadway is designated as Highway 294.

6. Has NDDOT considered sharing the Congestion Management Air Quality (CMAQ) funds specifically with the urbanized areas that have the highest levels of traffic congestion and the highest traffic volumes?

Since North Dakota and the MPO urbanized areas are all currently attainment areas, we are fortunate that we don't need to specifically designate the use of those funds on congestion management types of projects. However, in other states, such as Kansas, for example, which is also an air quality attainment state, the state's allocation of Congestion Management Air Quality funds is shared with the TMAs within the state. The TMAs are then able to apply the use of the funds toward projects that reduce congestion, staying true to the intent of the funds.

As you can see, the questions posed above primarily focus on NHPP, CMAQ and STBG funds. We do not have as many questions pertaining to TAP funds, and have seen that the Federal guidance was recently released with respect to the Carbon Reduction Program. There are many more questions which are likely to come up in the next couple of years as Metro COG makes this transition, and we are thankful that your division is working with us to answer those questions. The questions cited here start to frame up some of the concerns expressed by our city and county officials and elected leaders, and it is

Paul Benning, Local Government Engineer
North Dakota Department of Transportation

April 26, 2022
Page | 4

important that we have clear answers to these questions moving forward. I look forward to hearing from you regarding answers to these questions.

Sincerely,

Cindy Gray, AICP
Executive Director

Table 2: ND Portion of UZA Programmed STBG-U Projects, 2022-2025

2022 - PRE-TMA	Total	STBG-U	CRRSAA	State	Local
Fargo					
32nd Ave S (32nd St to 25th St)	\$16,000,000	\$7,130,000	\$808,620	\$0	\$8,061,380
52nd Ave S (63rd St to Sheyenne) - Pending	\$7,000,000	\$5,000,000	\$0	\$0	\$2,000,000
Transit Capital Bus Purchase - Pending	\$1,250,000	\$1,000,000	\$0	\$0	\$250,000
West Fargo					
9th St E (13th Ave E to Main Ave)	\$584,000	\$0	\$386,710	\$0	\$197,290
Total of Federally Funded STBG-U Projects	\$24,834,000	\$13,130,000	\$1,195,330	\$0	\$10,508,670

2023 - TMA	Total	STBG-U	NHS-U	State	Local
Fargo					
42nd St/I-94 Separation Structure Rehab	\$275,680	\$223,108	\$0	\$0	\$52,572
Transit Capital Bus Purchase - Pending	\$1,250,000	\$1,000,000	\$0	\$0	\$250,000
NDDOT					
Main Ave (Univ. to 25th St) - Pending	\$15,412,522	\$0	\$8,369,948	\$1,226,416	\$5,816,158
Total of Federally Funded STBG-U & NHS-U Projects	\$16,938,202	\$1,223,108	\$8,369,948	\$1,226,416	\$6,118,730
Total of STBG-U + NHS-U		\$9,593,056		\$1,226,416	\$6,118,730
Estimated STBG Apportionment		\$10,574,614			
Surplus or shortfall of funding info provided:		\$981,558			

2024 - TMA	Total	STBG-U	NHS-U	State	Local
Fargo					
32nd Ave S (25th St to Univ) - Pending	\$11,080,000	\$7,680,000	\$0	\$0	\$3,400,000
NDDOT					
Main Ave Slide Repair (US 10 at Sheyenne River)	\$5,001,000	\$0	\$4,047,000	\$454,000	\$500,000
Total of Federally Funded STBG-U & NHS-U Projects	\$16,081,000	\$7,680,000	\$4,047,000	\$454,000	\$3,900,000
Total of STBG-U + NHS-U		\$11,727,000			
Estimated STBG Apportionment		\$10,786,105			
Surplus or shortfall of funding info provided:		-\$940,895			

2025 - TMA	Total	STBG-U	NHS-U	State	Local
Fargo					
36th St S at Rose Coulee - Pending	\$380,000	\$307,534	\$0	\$0	\$72,466
West Fargo					
9th St E (Main Ave to 12th Ave N) - Pending	\$9,400,000	\$7,520,000	\$0	\$0	\$1,880,000
NDDOT					
12th Ave N at BNRR Bridge - Pending	\$644,606	\$521,680	\$0	\$58,465	\$64,461
Total of Federally Funded STBG-U Projects	\$10,424,606	\$8,349,214	\$0	\$58,465	\$2,016,927
Estimated STBG Apportionment		\$11,001,827			
Surplus or shortfall of funding info provided:		\$2,652,613			

2026 - TMA - Projects to be Selected Locally, as previously prioritized	Total	STBG-U	Other (Clay Co, Moorhead)	State	Local
Fargo					
1. Broadway Bridge Reconstruction	\$7,500,000	\$4,200,000	\$2,250,000	\$0	\$1,050,000
2. 40th Ave S Bike Ped Bridge at Bluestem	\$4,000,000	\$1,760,000	\$1,800,000	\$0	\$440,000
3. Drain 27 and River Dr S Shared Use Paths	\$2,400,000	\$1,920,000	\$0	\$0	\$480,000
Total of Prioritized Projects	\$13,900,000	\$7,880,000	\$4,050,000	\$0	\$1,970,000
Estimated STBG Apportionment		\$11,221,864			
Surplus or shortfall of funding info provided		\$3,341,864			

Additional Project Submittals for 2026	Total	STBG-U	Other	State	Local
Fargo					
4. Transit Capital Bus Purchase	\$1,250,000	\$1,000,000	\$0	\$0	\$250,000
West Fargo					
5. Sheyenne St Reconstruction (40th to 52nd Ave E)	\$18,000,000	\$14,400,000	\$0	\$0	\$3,600,000
Fargo					
6. 45th Street Rehab (16th Ave N to I-94 Ramp)	\$10,800,000	\$8,640,000	\$0	\$0	\$2,160,000
NDDOT Bridge Projects					
No Submittals Thus Far	\$0	\$0	\$0	\$0	\$0
Total of Additional Project Submittals	\$30,050,000	\$24,040,000	\$0	\$0	\$6,010,000

April 27, 2022

Honorable Board of
City Commissioners
City of Fargo
225 North Fourth Street
Fargo, ND 58102

Re: 32nd Ave S Reconstruction Project – 32nd St S to 22nd St S
City of Fargo Improvement District No. BR-22-A1
NDDOT Project No. SU-CVD-8-984(168)

Dear Commissioners:

On March 21st we came in front of you to discuss options for moving forward the 32nd Avenue South reconstruction project and the option selected was to close roadway sections to mitigate the construction complexity. Staff would like to update the Commission on the phasing of the project along with our communication plan for these changes.

Since that meeting, we were also notified by the NDDOT that \$2,429,773 of additional funds would be available for this project bringing the total amount to \$7,938,393. Attached is the amended Engineer's Report that reflects an increase which will be funded with City funds and the additional Federal funds. There will not be an increase in assessments.

Staff is asking the Commission to approve the Amended Engineer's Report and Amended Cost Participation and Maintenance Agreement with the NDDOT, which reflects the additional Federal funds.

Recommended Motion:

Approve Amended Engineer's Report and Amended Cost Participation and Maintenance Agreement with the NDDOT for 32nd Avenue from 32nd to 22nd Street South.

Respectfully Submitted,



Brenda E. Derrig, P.E.
City Engineer

Attachments

ENGINEER'S REPORT
PAVING AND UTILITY REHAB/RECONSTRUCTION
IMPROVEMENT DISTRICT NO. BR-22-A
AMENDED 4-25-2022

Nature & Scope

The project is on 32nd Avenue South from 32nd Street South to 22nd Street South.

This project will upgrade the existing infrastructure by replacing the existing concrete roadway, curb and gutter, intersection crossings improvements, sidewalk and incidentals. Portions of the existing water distribution system, and storm sewer system will be replaced or rehabilitated. A new storm sewer mainline will be added adjacent to the existing system to increase the system's capacity and reduce street flooding. Additionally, a liner will be installed inside the sanitary sewer mainline to increase its' usable lifespan.

Purpose

This project is necessary because the existing corridor's infrastructure is deteriorating and/or inadequate for current use. This project will repair, replace, and install necessary infrastructure along the corridor to better serve the operations of the City. The finished product will update portions of the water distribution network, will increase the storm drainage capacity to reduce flooding events, will repair the existing sanitary sewer that has deteriorated to a substandard level, will provide new roadway and pedestrian facilities for continued use, and improve overall safety and functionality of the corridor.

The project will be funded by a combination of Federal Funds, Street Sales Tax Funds, Waste Water Utility Funds, Water Replacement Funds, and Special Assessments to the benefitting properties. Special Assessments will be applied per City policy.

Feasibility

The estimated cost of construction is \$16,094,921.25. The cost breakdown is as follows:

Water Main Costs	\$	1,329,665.00
Plus 4% Administration Fee:	\$	53,186.60
Plus 3% Legal Fee:	\$	39,889.95
Plus 4% Interest Fee:	\$	53,186.60
Plus 5% Contingency:	\$	66,483.25
Total Estimated Water Main Cost:	\$	1,542,411.40
Amount Special Assessed:	\$	474,705.00
Amount City Funded:	\$	1,067,706.40
Amount of Federal Funded:	\$	-

Sanitary Sewer Costs	\$	1,913,650.00
Plus 4% Administration Fee:	\$	76,546.00
Plus 3% Legal Fee:	\$	57,409.50
Plus 4% Interest Fee:	\$	76,546.00
Plus 5% Contingency:	\$	95,682.50
Total Estimated Storm Sewer Cost:	\$	2,219,834.00
Amount Special Assessed:	\$	902,481.30
Amount City Funded:	\$	1,317,352.70
Amount of Federal Funded:	\$	-

Storm Sewer Costs	\$	4,556,200.00
Plus 4% Administration Fee:	\$	182,248.00
Plus 3% Legal Fee:	\$	136,686.00
Plus 4% Interest Fee:	\$	182,248.00
Plus 5% Contingency:	\$	227,810.00
Total Estimated Storm Sewer Cost:	\$	5,285,192.00
Amount Special Assessed:	\$	1,871,478.00
Amount City Funded:	\$	391,449.74
Amount of Federal Funded:	\$	3,022,264.26


Paving Costs	\$	8,295,406.25
Plus 4% Administration Fee:	\$	331,816.25
Plus 3% Legal Fee:	\$	248,862.19
Plus 4% Interest Fee:	\$	331,816.25
Plus 5% Contingency:	\$	414,770.31
Total Estimated Paving Cost:	\$	9,622,671.25
Amount Special Assessed:	\$	4,706,542.39
Amount City Funded:	\$	-
Amount of Federal Funded:	\$	4,916,128.86

Miscellaneous Costs		
Right-of-Way and Easements (Estimated):	\$	250,000.00
Utility Relocation (Estimated):	\$	150,000.00
Outside Engineering:	\$	1,678,132.00
Incentive	\$	500,000.00
Total Miscellaneous Costs:	\$	2,578,132.00
Amount Special Assessed:	\$	-
Amount City Funded:	\$	2,578,132.00
Amount of Federal Funded:	\$	-

Project Funding Summary		
Special Assessments	37.44%	\$ 7,955,206.69
Waste Water Utility Funds	7.10%	\$ 1,508,717.70
Water Utility Funds	5.65%	\$ 1,200,672.90
Infrastructure Sales Tax	12.45%	\$ 2,645,250.24
Federal Funds	37.36%	\$ 7,938,393.12
Total Estimated Project Cost		\$ 21,248,240.65

We believe this project to be cost effective.





Tom Knakmuhs, P.E.
Assistant City Engineer

PUBLIC WORKS PROJECTS EVALUATION COMMITTEE

Improvement District No. BR-22-A1
NDDOT Project #SU-CVD-8-984(168)

Type: Amended CPM Agreement with NDDOT

Location: 32nd Ave S, 32nd St to 22nd St

Date of Hearing: 4/11/2022

Routing

City Commission
PWPEC File
Project File

Date
5/2/2022
X
Jeremy Gorden

The Committee reviewed a communication from Transportation Division Engineer, Jeremy Gorden, regarding approval of the Amended Cost Participation and Maintenance (CPM) Agreement with NDDOT for reconstruction of 32nd Avenue South from 32nd Street to 22nd Street.

This project is for the reconstruction of 32nd Avenue South from 32nd Street to 22nd Street. This project will upgrade the existing infrastructure by replacing the existing concrete roadway, curb and gutter, intersection crossings improvements, sidewalk and incidentals. Portions of the existing water distribution system and storm sewer system will be replaced or rehabilitated. A new storm sewer mainline will be added adjacent to the existing system to increase the capacity and reduce street flooding. Additionally, a liner will be installed inside the sanitary sewer mainline to increase its usable lifespan. This project is necessary because the existing corridor's infrastructure is deteriorating and/or inadequate for current use.

This amendment is needed in order to update the amount of federal funds we are receiving for this project. The original federal amount was \$5,508,620. The NDDOT would like to increase that amount by \$2,429,773 to make the total federal contribution \$7,938,393.

Staff is recommending approval of the Amended Cost Participation and Maintenance Agreement with NDDOT.

On a motion by Bruce Grubb, seconded by Nicole Crutchfield, the Committee voted to recommend approval of the Amended Cost Participation and Maintenance Agreement.

RECOMMENDED MOTION

Concur with the recommendations of PWPEC and approve the Amended Cost Participation and Maintenance Agreement with the NDDOT for reconstruction of 32nd Avenue South from 32nd Street to 22nd Street.

PROJECT FINANCING INFORMATION:

Recommended source of funding for project: NDDOT Urban Roads Program (Federal), Sales Tax, Waste Water Utility Funds, Water Replacement Funds, & Special Assessments

Developer meets City policy for payment of delinquent specials
Agreement for payment of specials required of developer
Letter of Credit required (per policy approved 5-28-13)

Yes	No
N/A	
N/A	
N/A	


COMMITTEE

Tim Mahoney, Mayor
Nicole Crutchfield, Director of Planning
Steve Dirksen, Fire Chief
Bruce Grubb, City Administrator
Ben Dow, Director of Operations
Steve Sprague, City Auditor
Brenda Derrig, City Engineer
Vacant, Finance Director

Present	Yes	No	Unanimous
			<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

ATTEST:

C: Kristi Olson


Brenda E. Derrig, P.E.
City Engineer

Memorandum

To: Members of PWPEC

From: Jeremy M. Gorden, PE, PTOE
Division Engineer - Transportation

Date: April 7, 2022

Re: Approval of an Amended Cost, Participation and Maintenance (CPM) Agreement with NDDOT for 32nd Avenue S Construction Project – 32nd Street to 22nd Street
City Improvement District No. BR-22-A
NDDOT Project No. SU-CVD-8-984(168)

Update:

I have attached an Amendment to the original CPM Agreement from the Local Government Division of the NDDOT for this project on 32nd Avenue South. This amendment is needed in order to update the amount of federal funds we are receiving for this project. The original federal amount was \$5,508,620; the NDDOT would like to increase that amount by \$2,429,773, to make a total federal contribution of \$7,938,393.

This project is planned to be rebid on June 10, in Bismarck by the NDDOT.

Background:

This project is for the reconstruction of 32nd Avenue South from 32nd Street to 22nd Street. This project will upgrade the existing infrastructure by replacing the existing concrete roadway, curb and gutter, intersection crossings improvements, sidewalk and incidentals. Portions of the existing water distribution system and storm sewer system will be replaced or rehabilitated. A new storm sewer mainline will be added adjacent to the existing system to increase the system's capacity and reduce street flooding. Additionally, a liner will be installed inside the sanitary sewer mainline to increase its' usable lifespan.

32nd Avenue South is functionally classified as a major arterial roadway. This project is necessary because the existing corridor's infrastructure is deteriorating and/or inadequate for current use. This project will repair, replace, and install necessary infrastructure along the corridor to better serve the operations of the City. The finished product will update portions of the water distribution network, will increase the storm drainage capacity to reduce flooding events, will repair the existing sanitary sewer that has deteriorated to a substandard level, will provide new roadway and pedestrian facilities for continued use, and improve overall safety and functionality of the corridor.

Recommended Motion:

I recommend approval of the Amended CPM Agreement.

Attachment

MEMO TO: Jen Turnbow
Deputy Director for Planning

FROM: Marohl, Sengaroun H., 328-4449
Local Government Division

DATE: 03/31/2022

SUBJECT: Amendment to Cost Participation, Construction and Maintenance
Agreement for Project SU-CVD-8-984(168) PCN 22826

This contract is an Amendment to Cost Participation, Construction and Maintenance (CPM) agreement with City of Fargo on 32nd Ave NE S (32nd St S - 22nd St S) project.

Contract # 38220032A

- City has requested additional SU federal funds for 32nd Ave project.
- NDDOT provided additional \$2,429,773.12 of SU funds to this project with funding splits of 80.93 federal and 19.07% City.
- Any costs over the project cap (\$7,129,773.12 SU and \$808,620 CVD) amount will be City responsibility.
- No one time changes on the standard agreement template.

38/sm

Contract routing:
Seng Marohl - Contract Owner
Stacey Hanson
Paul Benning
Shannon Sauer
Brenda Derrig - Fargo City Engineer
City of Fargo Officials
Seng Marohl
Legal
Jen Turnbow

NDDOT Contract No. 38220032A

North Dakota Department of Transportation
AMENDMENT TO CONTRACT NO. 38220032
Project No. SU-CVD-8-984(168)

THIS AMENDMENT to the above-referenced contract is entered into by and between the State of North Dakota, acting through its Director of Transportation, hereinafter known as NDDOT, whose address is 608 East Boulevard Avenue, Bismarck, North Dakota 58505-0700, and City of Fargo, hereinafter known as the Contractor, whose address is 225 4th St N, Fargo, ND 58102.

WHEREAS, the parties entered into a contract on 3/30/2022; and

WHEREAS, The city requested the additional \$2,429,773.12 of SU federal funds to be added to 32nd Ave project; and

WHEREAS, The NDDOT approved the use of additional SU funds on this project ; and

NOW THEREFORE, the Contractor and NDDOT agree that funding splits for additional SU funds will be 80.93% federal and 19.07% city. Any costs over the project cap amount (\$7,129,773.12 SU funds and \$808,620 CVD funds) will be city responsibility.



All other terms and conditions of the above-referenced contract are incorporated herein by reference and remain in full force and effect.

EXECUTED the date last below signed.

WITNESS:

CONTRACTOR:

NAME (TYPE OR PRINT)

COMPANY NAME

SIGNATURE

OFFICER'S NAME (TYPE OR PRINT)

To be signed by **Owner; Partner; Corp. Pres., Vice Pres., or other authorized Corp. Officer.** (If signed by other authorized Corp. Officer, please attach copy of Power of Attorney or other documentation showing authority to sign.)

SIGNATURE

TITLE

DATE

WITNESS:

NORTH DAKOTA DEPARTMENT
OF TRANSPORTATION

NAME (TYPE OR PRINT)

DIRECTOR (TYPE OR PRINT)

DS

SS

SIGNATURE

SIGNATURE

DATE

APPROVED as to substance by:

Paul Benning

DS

SH

DIVISION DIRECTOR (TYPE OR PRINT)

Signature by:

Paul Benning

SIGNATURE

A411F817506247A...

3/31/2022

DATE

CLA 52494 (Div. 06)
L.D. Approved 5-19-00; 5-03



Certificate Of Completion

Envelope Id: B1B52FAA744140B4BC7E754E9DB84B08

Status: Sent

Subject: Contract #38220032A: Please DocuSign: Contract Amendment to CPM for Fargo 32nd Ave project

Contract Number: 38220032A

PCN: 22826

Source Envelope:

Document Pages: 3

Signatures: 1

Envelope Originator:

Certificate Pages: 3

Initials: 2

Sengaroun Marohl

AutoNav: Enabled

608 E Boulevard Ave

Envelopeld Stamping: Enabled

Bismarck, ND 58505

Time Zone: (UTC-06:00) Central Time (US & Canada)

smarohl@nd.gov

IP Address: 165.234.92.5

Record Tracking

Status: Original

Holder: Sengaroun Marohl

Location: DocuSign

3/31/2022 3:29:21 PM

smarohl@nd.gov

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: Carahsoft OBO North Dakota Department of Transportation CLOUD

Location: DocuSign

Signer Events

Stacey Hanson

smhanson@nd.gov

Carahsoft OBO North Dakota Department of Transportation CLOUD

Security Level: Email, Account Authentication (None), Authentication

Signature


Signature Adoption: Pre-selected Style
Signed by link sent to smhanson@nd.gov
Using IP Address: 165.234.253.12

Timestamp

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Viewed: 3/31/2022 3:47:40 PM

Signed: 3/31/2022 3:48:05 PM

Authentication Details

SMS Auth:

Transaction: 65FF86EE8D380304919324C6095A4098

Result: passed

Vendor ID: TeleSign

Type: SMSAuth

Performed: 3/31/2022 3:47:33 PM

Phone: +1 701-527-8879

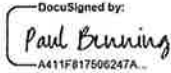
Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Paul Benning

pbenning@nd.gov

Security Level: Email, Account Authentication (None), Authentication

DocuSigned by:

A411F817506247A...

Signature Adoption: Pre-selected Style
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Using IP Address: 165.234.252.245

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Signed: 3/31/2022 4:07:09 PM

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Vendor ID: TeleSign

Type: SMSAuth

Performed: 3/31/2022 4:06:58 PM

Phone: +1 701-214-2502

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Signer Events

Shannon Sauer

ssauer@nd.gov

Security Level: Email, Account Authentication
(None), Authentication

Signature



Signature Adoption: Pre-selected Style

Signed by link sent to ssauer@nd.gov

Using IP Address: 165.234.253.12

Timestamp

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Viewed: 3/31/2022 4:56:34 PM

Signed: 3/31/2022 4:56:44 PM

Authentication Details

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Result: passed

Vendor ID: TeleSign

Type: SMSAuth

Performed: 3/31/2022 4:56:29 PM

Phone: +1 701-426-9825

SMS Auth:

Transaction: 65FF9AD5EB600A0491933ED94A0A6AA8

Result: passed

Vendor ID: TeleSign

Type: SMSAuth

Performed: 4/1/2022 2:59:46 PM

Phone: +1 701-426-9825

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Sengaroun Marohl

smarohl@nd.gov

Security Level: Email, Account Authentication
(None), Authentication

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Clint Morgenstern

cdmorgenstern@nd.gov

Security Level: Email, Account Authentication
(None), Authentication

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Jennifer Turnbow

jturnbow@nd.gov

Security Level: Email, Account Authentication
(None), Authentication

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Signer Events	Signature	Timestamp
Laureen M. Martin lmartin@nd.gov Security Level: Email, Account Authentication (None), Authentication Electronic Record and Signature Disclosure: Not Offered via DocuSign		
In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Sengaroun Marohl smarohl@nd.gov Carahsoft OBO North Dakota Department of Transportation CLOUD Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	<div>VIEWED</div> Using IP Address:	Sent: 3/31/2022 3:29:32 PM Completed: 3/31/2022 3:40:43 PM
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Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
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DOT Legal Admin dotlegaladmin@nd.gov Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign		
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Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
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Payment Events	Status	Timestamps

41a

April 27, 2022

Honorable Board of City
Commissioners
City of Fargo
Fargo, ND

Re: Improvement District No. UN-22-M1

Dear Commissioners:

Bids were opened at 11:45 AM on Wednesday, April 27, 2022, for New Utility Construction, Improvement District No. UN-22-M1, located in Rocking Horse Farm 6th Addition.

The bids were as follows:

Dirt Dynamics	\$1,255,415.82
Dakota Underground Co.	\$1,283,521.09
Sellin Brothers, Inc.	\$1,423,315.00

Engineer's Estimate	\$973,594.00
---------------------	--------------

The special assessment escrow is not required.

This office recommends award of the contract to Dirt Dynamics in the amount of \$1,255,415.82 as the lowest and best bid. No protests have been received.

Sincerely,



Thomas Knakmuhs
Assistant City Engineer

TAK/klb

ENGINEER'S STATEMENT OF ESTIMATED COST

IMPROVEMENT DISTRICT # UN-22-M1

New Utility Construction

Rocking Horse Farm 6th Addition

WHEREAS, bids have been opened and filed for the above described Improvement District for City of Fargo, North Dakota; and
 WHEREAS, an estimate of the cost of work is required by the engineer for the City of Fargo, North Dakota;

NOW THEREFORE Tom Knakmuhs, do hereby certify as follows:

That I am the Assistant City Engineer for the City of Fargo, North Dakota;

That the following is detailed statement of the estimated cost of the job described as:

New Utility Construction Improvement District # UN-22-M1 of the City of Fargo, North Dakota.

Line	Description	Unit	Quantity	Unit Price (\$)	Amount (\$)
Sanitary Sewer					
1	F&I Manhole 4' Dia Reinf Conc	EA	9.00	\$ 8,175.00	\$ 73,575.00
2	F&I Manhole w/Int Drop 4' Dia Reinf Conc	EA	1.00	\$ 7,540.00	\$ 7,540.00
3	F&I 1-1/4" Trench Found Rock 4" thru 12" Dia	LF	1832.00	\$ 0.01	\$ 18.32
4	Connect Pipe to Exist Pipe	EA	1.00	\$ 2,700.00	\$ 2,700.00
5	F&I Pipe SDR 26 - 6" Dia PVC	LF	42.00	\$ 46.25	\$ 1,942.50
6	F&I Pipe SDR 35 - 10" Dia PVC	LF	170.00	\$ 76.00	\$ 12,920.00
7	F&I Pipe SDR 26 - 12" Dia PVC	LF	1620.00	\$ 97.25	\$ 157,545.00
Sanitary Sewer Total					\$ 256,240.82
Cass Rural Water					
8	F&I Fittings C153 Ductile Iron	LB	2365.00	\$ 8.20	\$ 19,393.00
9	F&I Hydrant	EA	2.00	\$ 5,700.00	\$ 11,400.00
10	F&I Hydrant - Restrained Joint	EA	4.00	\$ 5,850.00	\$ 23,400.00
11	F&I 1-1/4" Trench Found Rock 4" thru 12" Dia	LF	1500.00	\$ 0.01	\$ 15.00
12	Connect Pipe to Exist Pipe	EA	2.00	\$ 1,400.00	\$ 2,800.00
13	F&I Pipe C900 DR 18 - 6" Dia PVC	LF	160.00	\$ 43.00	\$ 6,880.00
14	F&I Pipe C900 DR 18 - 8" Dia PVC	LF	140.00	\$ 53.00	\$ 7,420.00
15	F&I Pipe C900 DR 18 - 12" Dia PVC	LF	1940.00	\$ 83.00	\$ 161,020.00
16	F&I Gate Valve 6" Dia	EA	8.00	\$ 2,100.00	\$ 16,800.00
17	F&I Gate Valve 12" Dia	EA	5.00	\$ 4,550.00	\$ 22,750.00
18	F&I Hydrant Ext. 18" High	EA	1.00	\$ 1,750.00	\$ 1,750.00
Cass Rural Water Total					\$ 273,628.00
Storm Sewer					
19	Temp Pumping	LS	1.00	\$ 3,000.00	\$ 3,000.00
20	Modify Manhole	EA	1.00	\$ 750.00	\$ 750.00
21	F&I Manhole 5' Dia Reinf Conc	EA	5.00	\$ 6,910.00	\$ 34,550.00
22	F&I Manhole 6' Dia Reinf Conc	EA	3.00	\$ 8,610.00	\$ 25,830.00
23	F&I Manhole Type E Reinf Conc	EA	3.00	\$ 19,100.00	\$ 57,300.00
24	F&I Inlet - Manhole (MHI) 4' Dia Reinf Conc	EA	4.00	\$ 4,410.00	\$ 17,640.00
25	F&I Inlet - Manhole (MHI) 5' Dia Reinf Conc	EA	2.00	\$ 6,670.00	\$ 13,340.00
26	F&I Inlet - Manhole (MHI) 7' Dia Reinf Conc	EA	1.00	\$ 11,930.00	\$ 11,930.00
27	F&I Inlet - Single Box (SBI) Reinf Conc	EA	2.00	\$ 3,040.00	\$ 6,080.00
28	F&I Inlet - Double Box (DBI) Reinf Conc	EA	2.00	\$ 4,660.00	\$ 9,320.00
29	F&I Inlet - Round (RDI) Reinf Conc	EA	1.00	\$ 1,840.00	\$ 1,840.00
30	F&I 1-1/4" Trench Found Rock 27" thru 36" Dia	LF	927.00	\$ 10.00	\$ 9,270.00

31 F&I 1-1/4" Trench Found Rock 42" thru 54" Dia	LF	100.00	\$	10.00	\$	1,000.00
32 Connect Pipe to Exist Pipe	EA	1.00	\$	450.00	\$	450.00
33 Connect Pipe to Exist Structure	EA	1.00	\$	2,200.00	\$	2,200.00
34 F&I Pipe 12" Dia	LF	60.00	\$	57.00	\$	3,420.00
35 F&I Pipe 12" Dia Polypropylene	LF	40.00	\$	40.00	\$	1,600.00
36 F&I Pipe 18" Dia	LF	31.00	\$	67.00	\$	2,077.00
37 F&I Pipe 24" Dia	LF	210.00	\$	87.00	\$	18,270.00
38 F&I Pipe 30" Dia	LF	570.00	\$	134.00	\$	76,380.00
39 F&I Pipe 30" Dia Reinf Conc	LF	325.00	\$	134.00	\$	43,550.00
40 F&I Pipe 48" Dia	LF	423.00	\$	286.00	\$	120,978.00
41 F&I Pipe Arch Equiv 48" Reinf Conc	LF	490.00	\$	361.00	\$	176,890.00
42 F&I Pipe w/GB 18" Dia Reinf Conc	LF	130.00	\$	87.00	\$	11,310.00
43 F&I Pipe w/GB 24" Dia Reinf Conc	LF	40.00	\$	111.00	\$	4,440.00
44 F&I Pipe w/GB 30" Dia Reinf Conc	LF	32.00	\$	154.00	\$	4,928.00
45 F&I Rip Rap Rock	CY	12.00	\$	95.00	\$	1,140.00
46 Embankment	CY	512.00	\$	7.00	\$	3,584.00
47 Repair Outfall	EA	1.00	\$	17,570.00	\$	17,570.00
Storm Sewer Total						\$ 680,637.00

Miscellaneous

48 Topsoil - Strip	LS	1.00	\$	18,000.00	\$	18,000.00
49 Site Grading	LS	1.00	\$	9,000.00	\$	9,000.00
50 Mulching Type 2 Straw	SY	9200.00	\$	0.17	\$	1,564.00
51 Seeding Type B	SY	3600.00	\$	0.55	\$	1,980.00
52 Seeding Type C	SY	5600.00	\$	0.55	\$	3,080.00
53 Stormwater Management	LS	1.00	\$	2,500.00	\$	2,500.00
54 Temp Construction Entrance	EA	2.00	\$	1,500.00	\$	3,000.00
55 Inlet Protection - New Inlet	EA	12.00	\$	263.00	\$	3,156.00
56 Inlet Protection - Existing Inlet	EA	10.00	\$	263.00	\$	2,630.00
Miscellaneous Total						\$ 44,910.00

Total Construction in \$ \$ 1,255,415.82

Engineering	10.00%	\$	125,541.58
Legal & Misc	3.00%	\$	37,662.47
Contingency	5.00%	\$	62,770.79
Administration	4.00%	\$	50,216.63
Interest	4.00%	\$	50,216.63
Total Estimated Costs		\$	1,581,823.93
Special Assessments		\$	1,237,052.65
Cass Rural WUD Funds		\$	344,771.28
Unfunded Costs		\$	-

IN WITNESS THEREOF, I have hereunto set my hand and seal

Date: 4/27/2022


 Tom Knakmuhs
 Assistant City Engineer



REPORT OF ACTION

PUBLIC WORKS PROJECTS EVALUATION COMMITTEE

41b

Improvement District No. UN-22-M1

Type: Early Building Permit

Location: 5801 55th Ave S

Date of Hearing: 4/25/2022

<u>Routing</u>	<u>Date</u>
City Commission	5/2/2022
PWPEC File	X
Project File	Jason Satterlund

The Committee reviewed an Early Building Permit requested by West Fargo Public School District #6 to support the construction of an elementary school at Lot 1, Block 1, Rocking Horse Farm 6th Addition slated for opening fall of 2023. The Applicant will provide a deposit of \$23,395.60 that could be used to repair any impacts from the site construction to the municipal projects.

Engineering Staff is recommending approval.

On a motion by Tim Mahoney, seconded by Bruce Grubb, the Committee voted to recommend approval of the Early Building Permit.

RECOMMENDED MOTION

Concur with the recommendations of PWPEC and approve the Early Building Permit.

PROJECT FINANCING INFORMATION:

Recommended source of funding for project: Special Assessments

Developer meets City policy for payment of delinquent specials
 Agreement for payment of specials required of developer
 Letter of Credit required (per policy approved 5-28-13)

Yes	No
	N/A
	N/A
	N/A

COMMITTEE

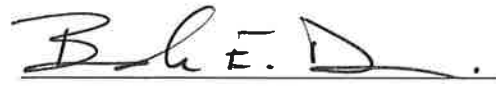
Tim Mahoney, Mayor
 Nicole Crutchfield, Director of Planning
 Steve Dirksen, Fire Chief
 Bruce Grubb, City Administrator
 Ben Dow, Director of Operations
 Steve Sprague, City Auditor
 Brenda Derrig, City Engineer
 Vacant, Finance Director

Present	Yes	No	Unanimous
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Dawn Stollenwrek

ATTEST:

C: Kristi Olson


 Brenda E. Derrig, P.E.
 City Engineer

Memorandum

To: Members of PWPEC
From: Jason Satterlund, Project Manager
Date: April 20, 2021
Re: UN-22-M1 - Early Building Permit for West Fargo Public School District #6 Elementary School at Rocking Horse Farm 6th Addition (5801 51st Ave. S.)

Background:

Attached you will find a request for an early building permit from the West Fargo Public School District #6 for their building at Lot 1, Block 1 Rocking Horse Farm 6th Addition with a proposed address of 5801 51st Avenue South.

Bids for Improvement District No. UN-22-M1 will be opened on April 27, 2022 with an anticipated award date of May 2, 2022. Paving project PN-22-M1 to construct the pavement in front of this facility will bid summer 2022 with a July 2023 completion date.

The applicant has filled out the application and agreement. The applicant has worked with Engineering and will provide their own access throughout construction.

As part of the early building permit, the applicant has provided a check that will provide a deposit that could be used to repair any impacts from the site construction to the municipal projects. This lot has 1,169.78' of frontage; therefore, their deposit will be \$23,395.60.

Recommended Motion:

I recommend that the Public Works Project Evaluation Committee approve the early building permit request for West Fargo Public School District #6 Elementary School located at Lot 1, Block 1, Rocking Horse Farm 6th Addition (5801 51st Avenue South).

JTS/jmg

C: Brenda Derrig
Christine Goldader

APPLICATION FOR EARLY BUILDING PERMIT

The City of Fargo has agreed to allow building activity prior to completion of municipal utilities as listed below:

1. General Location Rocking Horse Farm 6th Addition, West of Veteran's Boulevard and North of 51st Ave S
2. Utility Completion Date (Sanitary Sewer, Water, Storm) October 2022
 - a. Occupancy will not be allowed prior to this date.
3. Paving Completion Date July 2023
 - a. City accepts no responsibility for site access prior to this date.
4. Project Engineer Tony Eukel, MBN Engineering
Phone 701-478-3316

Request for Building Permit

- A.
- | | |
|----------|---|
| Location | <u>Rocking Horse Farm 6th Addition</u> |
| Lot | <u>1</u> |
| Block | <u>1</u> |
| Addition | <u>Rocking Horse Farm 6th Addition</u> |
| Address | <u>5801 51st Ave S, Fargo ND 58104</u> |

B. Required Documents

1. Fill out Application for Early Building Permit.
2. Submit complete site plan drawings showing detailed locations of all utility stub outs (sanitary sewer, water, and storm sewer) and driveways.
3. Building and utility stub out elevations

4. As-built drawings showing actual utility stub out locations and elevations (after installation).

C. Provisions

1. Access

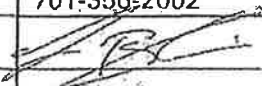
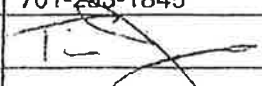
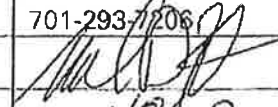
- a. Access to construction sites will not be on the public right-of-way under most conditions during the sewer and water construction. The City contractor will not be required to maintain access for the builders. Also, parking on the public right-of-way will not be permitted. The City contractor will have total control of the right-of-way during sewer and water construction.
- b. City accepts no responsibility for site access prior to paving completion date.

2. Sewer and Water Services

- a. Builders will not be allowed to hook up to the City sewer and water services until after the project is complete.
 - b. Builders shall stub out sewer and water services a distance of not to exceed 5-feet from building.
 - c. Builders to verify depth and location of sewer and water service stub outs for buildings with City Engineering Department. As-built drawings required.
 - d. After City mains have been installed and tested, the builder shall complete service installation and connections along with appropriate permits and inspections. The City contractor will not hook up sewer and water services to building stub outs. This is not part of his contract. The builder may privately negotiate such work with City contractor. Builder and contractor accept responsibility for necessary permits and inspections.
3. Occupancy will not be allowed until after utility installation is complete. Access prior to paving completion shall be the sole responsibility of builder/occupant.
 4. Other utilities such as gas, electric, telephone and cable TV will not be installed until municipal utility installation is complete.

Application for Early Building Permit
Page 3

D. Signatures (All required)

	Owner	Builder	Plumber
Name	West Fargo Public School District	Lee Jones & Son	Peterson Mechanical
Address	207 Main Ave W West Fargo ND 58078	2900 Fiechtner Dr Fargo ND 58103	3001 1st Ave N Fargo ND 58102
Telephone	701-356-2002	701-293-1845	701-293-7206
Signature			
Date	4/4/22	4-8-22	4/8/22

E. Approval

Project Engineer _____ Date _____

Plumbing Inspectors

Water _____ Date _____

Sewer _____ Date _____

Building Inspector _____ Date _____

AGREEMENT

EARLY BUILDING PERMIT

THIS AGREEMENT, made and entered into this 12th day of April, 2022, by and between **THE CITY OF FARGO, NORTH DAKOTA**, a municipal corporation, 225 Fourth Street, Fargo, North Dakota 58102, hereinafter referred to as "City", and the undersigned person, firm or corporation, hereinafter referred to as "Builder".

WITNESSETH:

WHEREAS, City does not ordinarily issue building permits until sewer and water main connections are functional; and,

WHEREAS, for large building projects (commercial, industrial and multi-family [8-plex or greater]), it has been determined that permits may be issued prior to completion of said underground utilities; and,

WHEREAS, installation of utilities and paving can take place during the time said building projects are under way;

WHEREAS, City requires a cash deposit as one of the conditions for granting early building permits, said deposit to be utilized, if necessary, to reimburse City for any costs relating to Builder's, his or its developers', agents' or subcontractors' activities under the early building permit; and,

WHEREAS, City requires an agreement with Builder relative to the issuance of early building permits.

NOW, THEREFORE, it is hereby agreed by and between the parties as follows:

1. City has agreed, or by execution of this agreement, does agree, that an early building permit be issued to Builder for the project therein stated and as listed below.

2. In consideration of the issuance of said early building permit for the project therein stated, Builder agrees to deposit with City a cash deposit or letter of credit in the minimum amount of Five Thousand Dollars (\$5,000.00) or \$20.00 per front foot of lot covered by the permit, whichever sum is greater. Said cash deposit may be utilized by City to reimburse City for any building site impact or any impact the building project may have on municipal projects, including utilities or paving. Said cash deposit may, among other things, be used for corrective measures such as debris removal, drain maintenance, damages caused by unauthorized access, and cleaning

adjacent streets impacted by building construction. It is specifically understood and agreed by Builder that such list is not exclusive and said deposit may be used for any costs or damages City may incur due to Builder's activities under the early building permit forming the subject of this agreement.

3. Builder expressly agrees and recognizes the City of Fargo policy on early building permit waivers. Builder recognizes and agrees that the only eligible building projects for such waivers are commercial, industrial and multi-family (8-plex or greater). Builder agrees to or has furnished to City a building site plan drawing showing access points and exact service utility connections required, such as sanitary sewer, water sewer service, storm sewer and the like. Builder has indicated or will indicate specifically the following:

- a. Site access to the building that will not impact municipal utilities/paving installation.
- b. Temporary measures to address nonfunctional sewer, water and storm sewer on the building site.
- c. Building construction and occupancy schedule.
- d. Contact person for notification including name, address and phone.

4. City agrees to provide 48-hour notification to Builder prior to project start-up for installation of utilities or paving so as to allow Builder to clear right-of-way for such public construction. Builder agrees, however, that during construction, City shall only be required to give a 2-hour notification for various aspects of the project.

5. Builder agrees to indemnify and hold City harmless for any delays in municipal projects (i.e. utilities or paving) resulting from Builder's activities including, but not limited to, site interference, storage of construction materials, or the like.

6. Builder understands and accepts all risks of proceeding with the building project in advance of the installation and operation of the municipal improvements. Builder waives, for itself and successors, any and all claims for damages against City as a result of any delay in the installation of the municipal projects, for whatever reason. City will enter into a standard

contract for the municipal project; Builder is not a third party beneficiary of that contract and has no rights thereunder.

7. Builder agrees to acquire any easements deemed necessary for site access to the building site and City shall have no responsibility in this regard. Builder further understands and agrees that without installation of streets there is limited access to the site for fire and police protection. Builder agrees to be responsible for any access limitations resulting from the same.

8. Any cash deposit or letter of credit remaining unused upon completion of the paving project (thus completing the public construction) shall be returned to Builder upon application.

9. The project and project location are as follows:

WFPS elementary school located west of Veteran's Boulevard and north of 51st Avenue South within Rocking Horse Farm 6th Addition.

IN WITNESS WHEREOF, the parties have entered into this agreement the day and year first above written.

ATTEST:

Steve Sprague, City Auditor

Approved by Fargo City Commission on the ____ day of _____, 2022.

Timothy J. Mahoney, Mayor

Approved by Public Works Projects Evaluation Committee on the 25th day of April, 2022.

4-25-2022
Date

B. Derrig
Brenda Derrig, City Engineer

BUILDER:
West Fargo Public School District #6

4/2/22
Date

Levi Bachmeier
Levi Bachmeier, Business Manager

42

MEMORANDUM

TO: Fargo City Commission

FROM: Jim Gilmour, Director of Strategic Planning and Research

DATE: April 26, 2022

SUBJECT: Tax Increment Financing Report

This is a report on the status of Tax Increment Financing (TIF) Districts that provide a benefit to an owner/developer through a TIF note that pays a developer for costs of development. This report does not include TIF Districts that are public-private partnerships, but I will provide that information in the future.

Annual TIF Note Payments

There are 7 TIF Districts listed in the Assessors Annual Report that list the estimated payment to a developer. Information on this districts are listed in the table below, including the estimated TIF revenue for the 2022 tax year and the estimated year the TIF district will end.

<u>TIF DISTRICT</u>	<u>Description</u>	<u>Projected End</u>	<u>2023 Revenue</u>
Bdwy & Bristol	Renovation of Fargoan Buildings	2026	\$ 98,361
Bison Block I	Commercial and Apartments	2023	\$ 34,096
Bison Crossing	Commercial and Apartments	2024	\$ 29,086
Bison Block II	Commercial and Apartments	2024	\$ 55,115
Butler Business Park	Commercial Development	2029	\$ 192,666
710 Lofts	Apartment Building	2030	\$ 26,096
Junction 9 Apartments	Apartment Building	2030	\$ 26,567
			\$ 461,987

Renewal Districts to be Completed

There are 6 TIF Districts that were approved over the last 4 years that are not completed. Information on the TIF Districts is listed below.

<u>TIF DISTRICTS - In Development</u>	<u>Description</u>	<u>Year Approved</u>	<u>Completion Date</u>
Newman - Roers	Apartment Building	2019	12/31/2021
Oak Grove Housing	Apartments and Condos	2021	12/31/2023
Brewhalla	Mixed Use - Hospitality	2021	1/1/2024
Kmart Site	Mixed Use - Housing/Commercial	2021	12/31/2024
J-Street	Apartment Building	2022	12/31/2023

Page 47 Construction has started on the Oak Grove Housing project and the Brewhalla building.
Demolition has started on the Kmart site and the J-Street apartment site.

The Roers – Newman site is partially complete. The 81 unit apartment building, “The View” was completed but no work has begun on the 7 townhouses required by the development agreement. The development agreement required completion by December 31, 2021, “subject to Unavoidable Delays.” Sections of the development agreement are attached for your information. The City Commission will need to take up the townhouse schedule.

DEVELOPER AGREEMENT

By and Between

CITY OF FARGO, NORTH DAKOTA

and

ROERS DEVELOPMENT, INC.

TAX INCREMENT FINANCING DISTRICT 2019-02

development of the Development Property will be favored over the development of other properties.

(l) The Developer will spend enough in construction of the Minimum Improvements, when combined with the value of the Development Property, to generate an estimated minimum market value of Nine Million Dollars (\$9,000,000).

(m) The Developer expects that, barring Unavoidable Delays, the Project will be substantially completed by December 31, 2021.

(n) As of the Closing Date, the Developer shall have binding arrangements for all the equity and loan financing necessary to complete the Minimum Improvements.

(o) As of the Closing Date, the Developer shall have submitted to the City Construction Plans for the Improvements, and such Construction Plans shall have been approved by the City pursuant to Section 4.2.

(p) As of the Closing Date, the City shall be satisfied in its reasonable judgment that the Developer has firm arrangements for financing construction or acquisition of the Project in an amount sufficient, together with equity commitments, to complete the Project in conformance with such Construction Plans, or the City shall receive such other evidence of financial ability as in the reasonable judgment of the City is required.

(q) As of the Closing Date, the Developer shall have obtained an opinion from its independent legal counsel that this Agreement is in accordance with North Dakota state law, including the provisions of N.D.C.C. Chapter 40-58, and is a binding and enforceable agreement.

(r) As of the Effective Date, the Developer has marketable record title to Developer's Property free and clear of any encumbrances or lienholders except as provided in Article VII of this Agreement or, to the extent Developer does not have marketable record title, Developer has obtained from the person, firm or entity having such title an agreement [hereinafter referred to as an "Agency Agreement"] authorizing Developer to develop Developer's Property as contemplated by this agreement and authorizing Developer to enter into this Agreement, said Agency Agreement to be in a form approved by the City.

ARTICLE III

Completion of Improvements; Reimbursement of Certain Costs

Section 3.1. Completion of Improvements by Developer. Subject to Unavoidable Delays as provided in Section 4.2, below, the Developer shall have substantially completed the Improvements by December 31, 2021. The Developer's use of the Development Property shall be

subject to (a) all of the conditions, covenants, restrictions and limitations imposed by this Agreement and also to (b) building and zoning laws and ordinances and all other local, state and federal laws and regulations.

Section 3.2. Intentionally Left Blank.

Section 3.3. Reimbursement by City of Certain Costs; Terms of Tax Increment Note.

The Developer hereby represents to the City that the Developer has incurred and paid and will incur and pay significant Development Costs. The reimbursements that establish the principal balance of the Tax Increment Note whose principal and interest are payable to the Developer shall be as follows. The City hereby agrees to defray a portion of the Development Costs up to \$997,500, as follows:

1. Property Acquisition	\$465,000
2. Demolition & Site Cleanup	\$220,000
3. Public Works Improvements	\$265,000
4. Administrative Costs	<u>\$ 47,500</u>
TOTAL	\$997,500

The demolition and site clearing and public works improvement costs may be transferred between categories so long as the total costs do not exceed \$997,500 (including the Administrative Costs). The Administrative Costs will be paid by Developer to the City at the time of issuance of the Tax Increment Note. The Administrative Costs are hereby deemed to be the entire "reasonable and not theretofore reimbursed actual expenses incurred by the City in establishing and maintaining the TIF District, in preparing and implementing this Agreement, and in general in administering the TIF District and this Agreement and any supplements hereto and in participating in the actions or transactions contemplated thereby and hereby" as the same are referenced in the definition of "Available Tax Increments". (See Section 1.1.)

If there is a category of expense that is deemed ineligible under the Urban Renewal Law, but there are additional eligible expenses not otherwise reimbursed under this Agreement, then such otherwise non-reimbursed, but eligible, expenses may be recognized as an eligible expense under this Agreement. In addition to the foregoing costs, Developer shall be entitled to reimbursement over and above the foregoing eligible expenses an agreed upon interest rate of Five Percent (5%) Per Annum to be paid to Developer under the Tax Increment Note. All of the said costs, and interest, meet the representation set forth at Section 2.2(g) by issuing the Tax Increment Note, substantially in the form of Exhibit C to this Agreement, subject to the following conditions:

(a) There shall be one (1) Tax Increment Note. The principal amount of the Tax Increment Note shall be determined by adding the \$997,500 (or so much thereof as shall be

demonstrated as set forth in Section 3.3(d)) plus a sum equal to Capitalized Interest. The Tax Increment Note shall be issued for a period of fifteen (15) years from the date of issuance.

(b) The Tax Increment Note shall be delivered only if no Event of Default shall have occurred and be at the time continuing.

(c) This subsection intentionally left blank.

(d) If the conditions set forth in this Section are met, the Tax Increment Note shall be dated, issued and delivered when the Certificate of Completion has been delivered and when the Developer shall have demonstrated in writing to the reasonable satisfaction of the City that the Developer has incurred and paid eligible costs of the Improvements to be borne by Developer which will not be otherwise reimbursed or paid hereunder. Demonstration of eligible costs of Improvements up to the maximum amount of the Tax Increment Note shall be made pursuant to one or more certifications in form and substance satisfactory to the City that all or a portion of the costs of the Improvements have been incurred, together with evidence satisfactory to the City of the nature and amount of the costs of the Improvements and of the costs incurred by the Developer. Each certification shall demonstrate the specific purpose and amount of the costs of the Improvements and their compliance with the representation set forth at Section 2.2(g). The City's determination of a cost's compliance with the representation set forth at Section 2.2(g) shall, if based on the advice of its city attorney after consultation with the Developer or its counsel, be conclusive. The delivery of the Tax Increment Note itself constitutes reimbursement of expenditures in an amount equal to the principal amount of the Tax Increment Note; there are no monetary proceeds received by Developer upon delivery of the Tax Increment Note.

(e) **Subject to the provisions of the Tax Increment Note, the principal of and interest on the Tax Increment Note shall in the aggregate be payable on each May 1 and November 1, commencing on the May 1 after completion of the project, issuance of the certificate of completion and Tax Increment Note, and continuing through the Maturity Date (the "Payment Dates"), in the amount described in this subsection. Notwithstanding the previous sentence, in the event that ad valorem property taxes for the Development Property are paid in full on or before February 15th of each year, the City agrees, and the City's Finance Director is hereby authorized, to pay out the full amount of Available Tax Increments received from the County Auditor upon written request submitted by the Developer. The City's Finance Director is authorized to make such payment within the later of (a) forty (40) days after receipt by the City of the Available Tax Increments are received by the City from the County Auditor, or (b) forty days from the date of receipt of said written request. If such payment is made, then it shall be unnecessary to make the payout of annual increment in two payments as is otherwise provided in this paragraph. The sole source of funds available for payment of the City's obligations to the Developer under this Section shall be the Tax Increment Note (a non-cash source), and the sole source of funds available for payment of the Tax Increment Note shall be the Available Tax Increments. The amounts otherwise payable on the Tax Increment Note on each Payment Date shall be limited to the Available Tax Increments received by the City within the**

preceding six (6) months. All payments made on the Tax Increment Note shall be applied first to pay accrued and unpaid interest on the Tax Increment Note and second toward payment of principal. To the extent that the Available Tax Increments are insufficient, through the Maturity Date, to pay all accrued and unpaid interest on and the principal of the Tax Increment Note, said unpaid amounts shall then cease to be any debt or obligation of the City or of the City whatsoever. It is recognized, understood and agreed that Available Tax Increments does not include such taxes captured from Lots One (1) and Four (4), Block One (1), St. Paul's Newman Center Addition to the City of Fargo which is intended to contain certain faith-based housing or other housing that is expected to be subject to property taxes that may be captured within the District but applied toward eligible expenses other than those set forth in the Development Agreement.

(f) The unpaid principal of the Tax Increment Note shall bear interest at Five Percent (5.00%) per annum from the date of issuance, compounded annually. Interest shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each.

(g) The City expresses no opinion in particular as to whether, or not, the interest income from any such TIF Revenue Note is exempt from federal income taxation, but it is assumed that the Tax Increment Note will be a "taxable" obligation.

(h) The Tax Increment Note shall be a special and limited revenue obligation of the City and not a general obligation of the City, and only Available Tax Increments received by the City shall be used to pay the principal of and interest on the Tax Increment Note. [Note: See definition of "Available Tax Increments", above.]

(i) The Tax Increment Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit C. In the event of any conflict between the terms of the Tax Increment Note and the terms of this Section 3.3, the terms of the Tax Increment Note shall govern. No payments will be made on the Tax Increment Note during such time as there is a Specified Event of Default that has not been cured by the Developer.

(j) In connection with the issuance of the Tax Increment Note, and as conditions to such issuance, the Developer shall be provided with a Private Placement Memorandum and shall execute a receipt in a form acceptable to the City stating that it has relied on its own determinations in acquiring the Tax Increment Note and not on representations or information provided by the City.

(k) For purposes of this Agreement all project values shall be as valued by the City Assessor.

Section 3.4. Release and Indemnification Covenants.

(a) The Developer releases the City and the governing body members, officers, agents, including independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") from,

covenants and agrees that the Indemnified Parties shall not be liable for, and agrees to indemnify and hold harmless the Indemnified Parties against, any loss or damage to property or any injury to or death of any person for which a claim is made prior to the issuance of a Certificate of Completion and occurring at, about or in connection with the Development Property and/or Improvements, or the Developer's undertaking and completion thereof, or resulting from any defect therein, except to the extent such loss, damage or death is caused by the negligence or other wrongful acts of the Indemnified Parties. This paragraph (a) shall only apply to claims made prior to the issuance of a Certificate of Completion.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever brought prior to the issuance of a Certificate of Completion and arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Improvements; provided that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Project due to any act of negligence of any person, other than any act of negligence on the part of any such indemnified party or its officers, agents, servants or employees.

(d) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City.

(e) This Agreement shall not create nor be construed to create any partnership, joint venture, agency, or employment relationship between the Parties.

Section 3.5. Intentionally left blank.

Section 3.6. **Use of Tax Increments.** The City receives the Tax Increments generated by the TIF District from the County. The City may use Tax Increments which are not Developer Tax Increments for any purpose permitted by law. Developer Tax Increments shall be used on any date of application for the following purposes in the following order of priority:

- (1) to make payments on the Tax Increment Note; and
- (2) after payment of the Tax Increment Note in full, to pay or reimburse redevelopment costs identified by the City and to pay other eligible expenses for other projects that may be approved for the TIF District, from time to time, by the governing body of the City.

ARTICLE IV

Construction Of Minimum Improvements

Section 4.1 Construction of Minimum Improvements. The development shall be an eighty-one (81) unit apartment building and seven (7) attached townhomes in conformance with the requirements of the Planned Unit Development for the project as approved by the Board of City Commissioners at its meeting of February 11, 2019. The Improvements constructed by the Developer may, and are hereby permitted to and encouraged to, exceed in scope, scale and nature the Minimum Improvements. The Minimum Improvements constitute the lowest (or minimum) amount of Improvements which meet the development required to be provided hereunder by the Developer.

Section 4.2 Commencement and Completion of Construction. Subject to Unavoidable Delays, by December 31, 2021, the Developer shall have substantially completed the construction of the Minimum Improvements.

Time lost as a result of Unavoidable Delays shall be added to extend the completion date beyond such date, a number of days equal to the number of days lost as a result of Unavoidable Delays.

The Developer agrees for itself, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall cause to be promptly begun and diligently prosecuted to complete construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.2. Until construction of the Minimum Improvements has been completed, the Developer shall make reports to the City, in such detail and at such times as may reasonably be requested by the City, as to the actual progress of the Developer with respect to construction of the Minimum Improvements.

The Developer agrees that it shall permit designated representatives of the City to enter upon the Development Property during the construction of the Minimum Improvements to inspect such construction, after reasonable notice to Developer and at City's risk, to determine compliance with this agreement. This paragraph is not intended to apply to the customary building or code inspections by the City.

Section 4.3 Certificate of Completion. Promptly after completion of the Minimum Improvements in accordance with the provisions of this Agreement, the City will furnish the Developer with a Certificate of Completion, in substantially the form set forth in Exhibit F attached hereto. Such Certificate of Completion shall be a conclusive determination that the Developer has fulfilled the obligations of the Developer, and its successors and assigns, to construct the Minimum Improvements.

If the City shall refuse or fail to provide a Certificate of Completion in accordance with the provisions of this Section 4.4, the City shall, within twenty (20) days after written request by the Developer, provide the Developer with a written statement indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of this Agreement, or is otherwise in default under the terms of this Agreement, and what measures or acts it will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such Certificate of Completion.

ARTICLE V

Insurance And Condemnation

Section 5.1. Insurance.

(a) The Developer will provide and maintain or cause to be maintained at all times during the process of constructing the Minimum Improvements and, from time to time at the request of the City, furnish the City with proof of payment of premiums on:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis" in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy; the interest of the City shall be protected in accordance with a clause in form and content satisfactory to the City;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$500,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Worker's compensation insurance, with statutory coverage.

(b) All insurance required in this Article V shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. The Developer will deposit upon the request of the City, but no more often than annually, with the City a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. In lieu of separate policies, the Developer may maintain a single policy, or blanket or umbrella policies, or a combination thereof, which provide the total coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

MEMORANDUM

43

TO: Fargo City Commission

FROM: Jim Gilmour, Director of Strategic Planning and Research

DATE: April 24, 2022

SUBJECT: Sale of 401 – 3rd Avenue North

The City of Fargo received two proposals for the old Public Health Building site at 401 3rd Avenue North. One of the proposals was to build a new apartment building on the site. The other proposal would trade the city property for a property a block to the north and build a hotel and apartment building on that other site. I have attached portions of both proposals.

Review

Proposals were reviewed by the Economic Development Incentives Committee and the Renaissance Zone Authority. Because the proposals were on two different sites, the Committees asked City staff to explore options to build both development proposals. We discussed options with American Federal Bank and both developers; however, there was not an alternative that allowed for both developments to proceed.

Green Acres/Lloyd Proposal

The Green Acre/Lloyd proposal is to construct a hotel and apartment building on the site. There would be 115 hotel rooms and 108 apartments. The estimated investment is \$38.5 million. The offer is for \$500,000.

MBA Proposal

The MBA proposal is to construct an apartment building a site. There would be 68 apartments. The estimated investment is \$12-13 million. The offer is for \$500,000.

Options:

Accept the offer from Green Acre/Lloyd Companies for 401 3rd Avenue North and direct City staff to draft a Development Agreement consistent with City plans and the offer from the developer.

Accept the offer from MBA Investments for 401 3rd Avenue North and direct City staff to draft a Development Agreement consistent with City plans and the offer from the developer.

Decline both proposals.



CITY OF FARGO
REQUEST FOR PROPOSALS
Issued: September 8, 2021

Request for Development Proposals – Sale of 401 3rd Avenue North

I. PURPOSE

The City of Fargo is seeking proposals from qualified developers, development groups and/or investment groups to utilize City-owned property at 401 3rd Avenue North to bring about development in the downtown. The City intends to sell the property. Acceptance of the proposal is subject to the conditional approval of the City Commission, negotiation of terms of an agreement by which the successful proposer and the City will be bound and final approval of said agreement by the City Commission.

II. DEVELOPMENT GOALS

The City's development goals include:

- High quality construction of structure(s,) preferably with a mix of uses (commercial and residential), in the core of the downtown.
- A scale of development with consideration to the surrounding development.

III. DESCRIPTION OF THE PROPERTY

- **Address:** 401 3rd Avenue North.
- **Property description:** The property is a two story building constructed in 1962, with an addition in 1994. There are 20,320 square feet above grade and finished space in the basement. Building plans are available for review.
- **Lot Size:** 28,000 square feet.
- **Zoning:** Downtown Mixed-Use (DMU). Note that within the DMU zoning district there are no height restrictions or building setback requirements.
- **Renaissance Zone:** The property is located in the Renaissance Zone, and the developer can expect to qualify for Renaissance Zone incentives.
- **Opportunity Zone:** The property is located in an Opportunity Zone, and the project may attract investment by Opportunity Zone Funds.
- **Availability of property:** The property will be available immediately after the sale is complete.

IV. SUBMITTAL INSTRUCTIONS

- Written proposals, enclosed in a sealed envelope, must be received on or before **November 10, 2021 at 4:00 p.m.**, at the following address:

City Auditor/Fargo City Hall
225 4th Street North
Fargo, ND 58102
Attn: Jim Gilmour
Re: Sale of 401 3rd Avenue North

- **Proposal:** The intent of the RFP is to assess and evaluate each respondent's capabilities, qualifications and conceptual development schematic. Proposals will be evaluated based on the criteria outlined in this RFP. The proposal shall include:
- **Cover letter:** A letter signed by a principal or authorized representative who can make legally binding commitments on behalf of the entity or entities.
- **Project schematic:** A description (narrative) as well as preliminary schematic plans and renderings of the proposed redevelopment concept. At minimum, schematic plans should depict the overall development plan inclusive of details such as building sizes, square footage of specific components, number of parking spaces, materials and design style, circulation patterns, loading/service provisions and a description of the timing for any phased improvements.
- **Identification of entity/entities:** Proposals shall outline a description of each entity/entities involvement in the project. A profile of relevant experience shall be included specific to projects completed, location, type of development, project cost, financial capacity, project status and funding sources.
- **Requested incentives:** Describe if Renaissance Zone or other incentives are required to implement the proposed development.
- **Timeline:** A proposed process and schedule to complete the project.
- **Purchase Price:** A proposed purchase price.

V. **TERMS/CONDITIONS**

- The City reserves the right to reject any or all proposals.

VI. **SELECTION CRITERIA**

The City will evaluate proposals based on the following factors and criteria:

- Proposed development is consistent with the downtown plan.
- Good design and quality of the project.
- Large amount of private investment.
- Purchase price.
- Ability of the developer to implement the project.
- Financial feasibility of development.
- Implementation to begin within one year and be complete within three years.
- Experience with related projects and past project history.

VII. **ATTACHMENTS**

- Location map.



DEVELOPMENT PROPOSAL FOR

401 3RD AVE
NORTH

FARGO, NORTH DAKOTA

NOVEMBER 8, 2021

esg |  LLOYD |  GreenAcre

Mr. Gilmour:

Thank you for the opportunity to propose our development team for your request for development proposals for the sale of 401 3rd Avenue North. We admire your community's foresight and ambition through issuing this RFP to spur additional development in the core of Fargo.

After thorough evaluation of the market in downtown Fargo, we have selected multiple sites that together will cultivate an active urban community incorporating a live-work-play concept that we have successfully incorporated into previous projects. We have proactively worked with Marriott and have garnered their support in franchising an AC Hotel as part of the development; if awarded we would continue to evaluate AC in addition to multiple brands consistent with AC in the upscale chain scale to select the most appropriate hotel in partnership. Green Acre Companies and Lloyd Companies are responding to this RFP with the assistance of ESG Architects.

Lloyd and Green Acres come together to create a strong partnership with expertise in development, construction, and management. The partnership selected ESG Architects to bring their broad specialty of designing urban, mixed-use projects throughout the Midwest, including Fargo.

Through our analysis of downtown Fargo, we have identified and entered into option agreements to create a developable parcel for a large, mixed-use project that will bring the excitement of a new hotel and residential apartments to downtown. Through the option agreement, our team would deliver the mixed-use development including both residential and hospitality components on the assembly of parcels at the intersection of 4th Street and 4th Avenue. The option agreement of the proposed development would be predicated upon being awarded this RFP for the subject site. The existing parking lot located at 4th Street and 4th Avenue would then be relocated to the subject site upon demolition of the Health Building, and a new parking lot would be constructed. That group would also then take ownership of the subject site.



Our market assessment of Downtown Fargo affirms our team's confidence in our ability to market a mixed-use development that incorporates over 108 apartments alongside 115 upscale hotel rooms. Additionally, our proposed development includes 167 parking stalls through a combination of underground and street-level parking. The attached site plan and color renderings showcase our vision for this development - one that encourages the growth and marketability of an urban apartment community and modern hotel.

Our team has the experience and history of both partnering with city governments and successfully undertaking core redevelopment sites. We would be honored to partner with The City of Fargo in their mission of planning, developing, and building a better community.

With best regards,

Jake Quasney
EVP of Development
Lloyd Companies



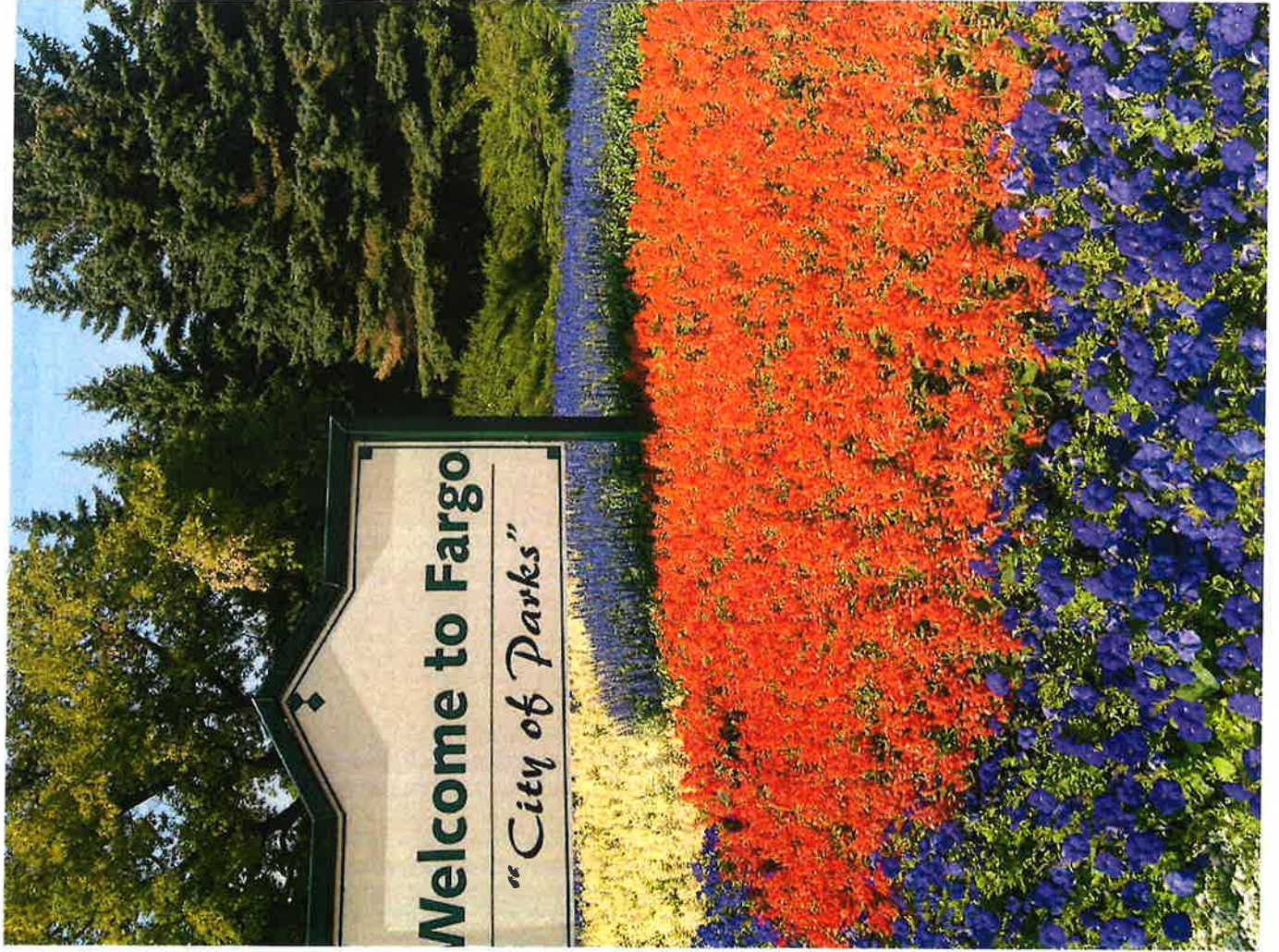
Byron Schaferman
Partner
Green Acre Companies





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PROJECT DESCRIPTION

Fargo's historic identity as a vibrant urban area at the cusp of the resilient West make it a destination for travel and a welcoming community for residents.

This proposed project is a mixed-use development that includes 108 rental apartments and approximately 115 guestrooms as part of an AC by Marriott Hotel. The development will incorporate 47 covered parking stalls to be shared by residents and hotel guests on the ground floor and 120 underground parking stalls to be used by apartment residents. The building will be six stories above grade: five stories of wood-framed residential construction over a single story of concrete podium construction housing the hotel public spaces and apartment lobby.

The building design includes 200,000 sf of occupied space, 75,000 sf of covered parking, and a generously sized level two outdoor amenity terrace with adjacent fitness spaces and club room. The residential units include a mix of studio, 1 Bedroom, and 2 Bedroom unit types supported by a dedicated apartment entrance at the southeast corner of 4th Street & 4th Avenue. The ground floor also includes six walk-up residential units that reflect the character of the rowhouses in the historic Burrell Building on the East side of 4th Street. The hotel covered drop-off entrance and main floor spaces are oriented toward the southwest corner of the site, facing the Sidestreet Grille and Pub, and are visually connected to the Broadway commercial corridor.

The hotel includes a dedicated hotel lobby/entrance, a 2,300 sf AC Lounge space for food and beverage service to the public, and 4,500 sf divisible ballroom. Onsite parking will be available for hotel guests, and the hotel meeting spaces are positioned to take advantage of adjacent parking resources the City has to offer. Service functions have been grouped on the North side, but the pedestrian experience along the railway corridor is still considered in the building design. The north façade includes unit balconies overlooking what could be a future farmer's market or community plaza near the Great Northern Bicycle Company. Sustainable design elements are being considered and provisions have been made for incorporating future energy efficiency features as the market demands.

We have drawn design inspiration from the adjacent railroad, which historically drew new residents and adventurers to the area and embodies an ethos of travel and exploration. Inspiration from Fargo's historic architectural fabric, including mid-century modern and contemporary buildings, have been layered into the proposed project's design to reflect the spirited community that Fargo has become. This includes brick cladding that gives a nod to the adjacent historic context and metal panel cladding that is a tribute to the notion of the train car and shipping container spirit.

PROJECT SCHEMATIC



PROJECT SCHEMATIC



PROJECT SCHEMATIC



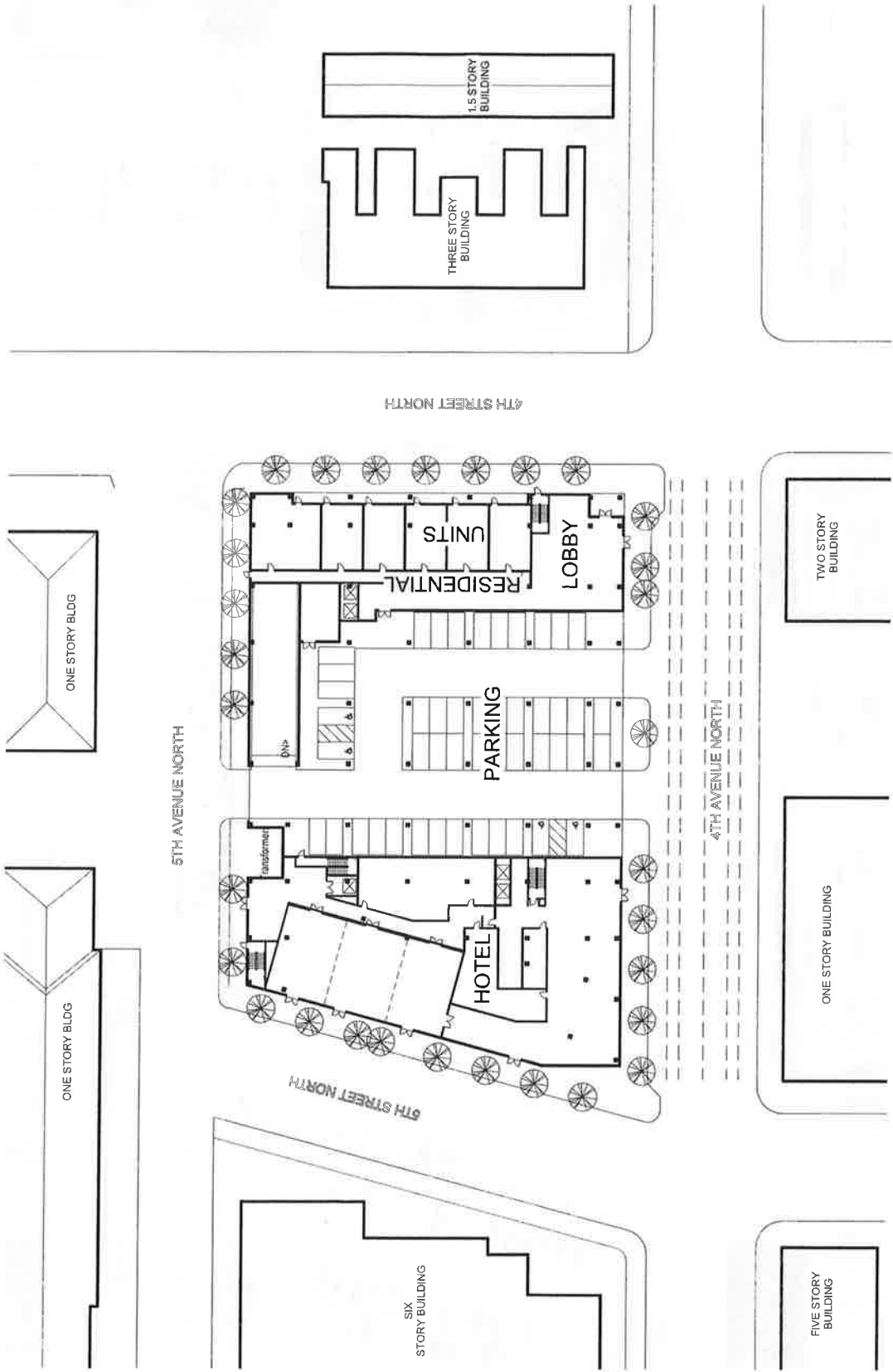
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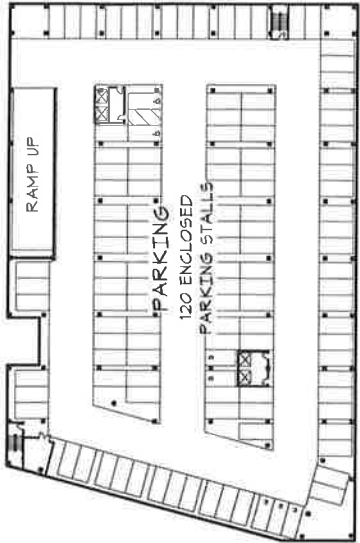
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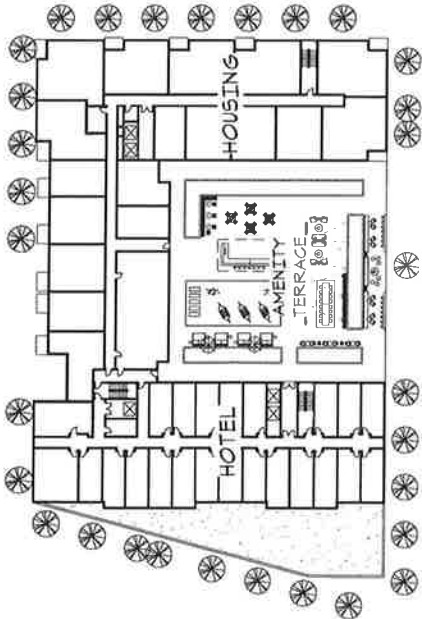
LEVEL 1 PLAN



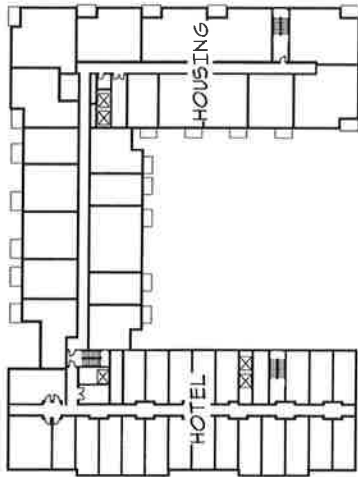
LEVEL 1 PLAN



LEVEL 2 PLAN



LEVEL 3-6 PLAN



IDENTIFICATION OF ENTITY/ENTITIES

GREEN ACRE COMPANIES

With almost 10 years of experience, Green Acre Companies has been at the forefront of real estate development and investments. We utilize strategic partners throughout our portfolio to ensure projects achieve the highest level of quality, design, and stability. Through collaboration with property owners, city governments, and their respective communities, we focus on maximizing asset potential and site innovation. Our wide range of resources and relationships allow us to develop advanced level projects of all shapes and sizes throughout the upper-Midwest.



LLOYD COMPANIES

With fifty years in business, Lloyd Companies has honed a reputation for uncompromising innovation, efficiency, and service. When you partner with Lloyd — your goals become ours, our resources and talents become yours. And groundbreaking begins from day one. Every development project, construction venture or real estate investment comes with high standards. We exist to improve the quality of life for the people and communities around us. Trust Lloyd to rise to the challenge with unparalleled integrity and expertise — and set the bar higher than any other company in the industry. Below, Lloyd Companies has outlined a listing of projects over \$1 million over the past three years and has selected a few project case studies included on subsequent pages.



LLOYD BY THE NUMBERS



NEARLY 50 YEARS
OF EXPERIENCE



\$1+ B MULTIFAMILY ASSETS
UNDER MANAGEMENT



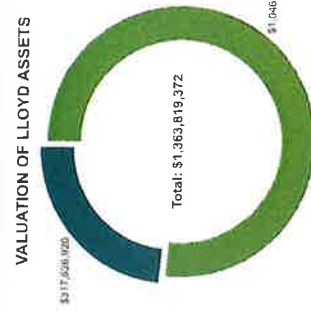
\$154 M MIXED-USE ASSETS
UNDER MANAGEMENT



\$374 M IN COMMERCIAL ASSETS UNDER
MANAGEMENT



200+ DEDICATED
TEAM MEMBERS



LLOYD BY THE NUMBERS

O=OWNER D=DEVELOPER C=CONSTRUCTED M=MANAGE R=REAL ESTATE TRANSACTION/LEASED

Project	Construction Cost	Size	Building Type	Completion Date	Participation (ODCMR)	Location
The Canopy by Hilton — Steel District	\$78,000,000	216 Hotel Rooms	Hotel	January 2024	ODCMR	Sioux Falls, SD
Steel District Office Tower	\$55,000,000	175,000 sqft	Office	January 2023	ODCMR	Sioux Falls, SD
Steel District Lofts	\$26,000,000	120 Units	Multifamily	March 2023	ODCM	Sioux Falls, SD
Steel District Parking Ramp	\$28,000,000	930 Stalls	Parking	July 2022	ODCM	Sioux Falls, SD
Riverbend Townhomes — Phase 4	\$11,000,000	84 units	Multifamily	December 2022	ODCM	Sergeant Bluff, IA
The Carlton at Dawley	\$26,600,000	152 units SF	Multifamily	November 2022	ODCM	Sioux Falls, SD
The Crimmon			Mixed Use	November 2022	C	Sioux Falls, SD
Lux North	\$23,000,000	216 units	Multifamily	October 2022	ODCM	Sioux Falls, SD
Children's Inn	\$10,900,000	48,000 SF	Multifamily	August 2022	C	Sioux Falls, SD
Sullivan Square	\$5,600,000	48 units 28,000 SF	Multifamily - Affordable	Spring 2022	C	Sioux Falls, SD
Sawyer Pointe Phase II	\$13,595,000	144 units	Multifamily	Spring 2022	ODCM	Harrisburg, SD
Heartland Heights	\$5,063,000	41 units	Multifamily - Affordable	May 2022	DCM	Rapid City, SD
EyeSight East	\$1,330,000	4,597 SF	Retail / Office	May 2022	C	Sioux Falls, SD
The Rowe on 57th — Phase I	\$13,870,000	314 units 26,479 SF commercial	Mixed Use	April 2022	ODCMR	Sioux Falls, SD
Edgewater — Phase 3	\$9,750,000	239,543 SF	Multifamily	April 2022	C	Sioux Falls, SD
The VUE on Catron	\$18,700,000	168 units	Multifamily	March 2022	ODCM	Rapid City, SD
Jefferson Apartments	\$3,492,044	29 units 30,514 SF	Multifamily	March 2022	C	Sioux Falls, SD
The Silos at Ellis Crossing — Phase 1	\$17,000,000	102 Units 2,814 SF Clubhouse	Multifamily	March 2022	ODCM	Sioux Falls, SD
Kirby Place — addition and remodel	\$2,100,000	7,460	Avera Lodging	March 2022	C	Sioux Falls, SD
Northern Tool and Equipment	\$3,100,000	22,000 SF	Retail	February 2022	CR	Sioux Falls, SD
3D Security	\$1,624,378	12,146 SF	Office	February 2022	C	Sioux Falls, SD
Lifescape Dignity House	\$1,000,000	5,400 SF	Multifamily	December 2021	C	Sioux Falls, SD
Regal Retail	\$1,500,000	10,000 SF	Retail	July 2021	C	Sioux Falls, SD
Empire Place Retail Building 1 Shell	\$2,172,314	17,906 SF	Retail	July 2021	DCMR	Sioux Falls, SD
Irving Center	\$3,900,000	35 Units 35,479 SF	Multifamily - Affordable	June 2021	DCM	Sioux Falls, SD
Chase Bank — Empire Place	\$1,756,937	3,308 SF	Office/Retail	June 2021	DC	Sioux Falls, SD
Lacey Village	\$5,785,700	46 units	Multifamily - Affordable	May 2021	DCM	Sioux Falls, SD

Project	Construction Cost	Size	Building Type	Completion Date	Participation (ODCMR)	Location
The Link Triage Center	\$1,280,000	6,936 SF	Medical	May 2021	C	Sioux Falls, SD
69th & Louise Center Retail	\$1,340,000	7,329 SF	Retail	April 2021	CR	Sioux Falls, SD
Hilton Garden Inn Cedar Rapids	\$18,000,000	100 rooms 3,700 SF of bathroom & meeting space	Hotel	February 2021	ODCM	Cedar Rapids, IA
Plains Commerce Bank — Edges	\$1,500,000	13,859 SF	Retail	December 2020	C	Sioux Falls, SD
Empire Place	\$3,131,800	183,000 SF	Retail	November 2020	DCM	Sioux Falls, SD
Capital Services	\$9,800,000	47,320 SF	Office	October 2020	C	Sioux Falls, SD
American Bank & Trust	\$2,300,000	15,000 SF	Office	September 2020	C	Sioux Falls, SD
Greenway Apartments	\$4,500,000	42 units	Multifamily	July 2020	DC	Sioux Falls, SD
St. Francis House	\$4,000,000	60 units	Multifamily - Affordable	July 2020	C	Sioux Falls, SD
The Cascade at Falls Park	\$37,450,000	197 Lofts 50,000 SF courtyard 20,000 SF retail	Mixed Use	June 2020	ODCMR	Sioux Falls, SD
Technology Heights II	\$4,600,000	39 units	Multifamily - Affordable	June 2020	ODCM	Sioux Falls, SD
Empowerment Campus	\$1,600,000	First floor remodel 15,614 SF	Office	June 2020	C	Sioux Falls, SD
Plains Commerce Bank	\$2,200,000	5,715 SF	Office & Retail	April 2020	C	Sioux Falls, SD
Riverbend Townhomes	\$16,000,000	156 units	Multifamily	February 2020	ODCM	Sergeant Bluff, IA
Sawyer Pointe	\$16,000,000	156 units	Multifamily	2020	ODCM	Sioux Falls, SD
Dublin Square Phase II	\$13,041,746	148 units	Multifamily	December 2019	ODCM	Sioux Falls, SD
Glory House	\$2,600,000	25 units	Multifamily - Affordable	December 2019	C	Sioux Falls, SD
Edgewater	\$12,750,000	144 units	Multifamily	November 2019	DC	Sioux Falls, SD
Avera Addiction Care Center	\$6,500,000	20,000 SF	Medical	November 2019	C	Sioux Falls, SD
Dakota Protein	\$4,887,736	46,460 SF	Office	November 2019	DC	Yankton, SD
Williquors	\$5,700,000	26,223 SF	Retail	October 2019	C	Sioux Falls, SD
Dawley Apex	\$3,000,000	25,212 SF	Retail	October 2019	CM	Sioux Falls, SD
Fleet Farm Cedar Rapids	\$24,000,000	203,000 SF	Retail	September 2019	ODCM	Cedar Rapids, IA
Summit III	\$1,950,000	14 units	Multifamily	August 2019	C	Sioux Falls, SD
Meta Payment Systems Remodel	\$1,341,395	70,784 SF	Office	July 2019	C	Sioux Falls, SD
Fleet Farm Sioux Falls	\$28,000,000	185,000 SF	Retail	May 2019	ODCM	Sioux Falls, SD
Prairie Hills Galleria	\$3,525,000	25,000	Retail/Office	May 2019	CMR	Sioux Falls, SD
Midtown Heights	\$4,500,000	39 units	Multifamily - Affordable	May 2019	DCM	Sioux Falls, SD

REQUESTED INCENTIVES

TIMELINE

We estimate that the total proposed project cost will be \$38,500,000. To complete the development project, the partnership will require the use of tax increment financing. The projected TIF request is \$4,500,000.

November 2021	RFP Submitted
December 2021	Anticipated project selections & enter negotiations for development agreement.
February 2022	Finalize development agreement.
February 2022	Begin construction document phase.
December 2022	Complete construction documents and submit for building permit.
January 2023	Release bid package.
February 2023	Bids packages due.
March 2023	Break ground.
Q4 2024/Q1 2025	Project Complete

PURCHASE PRICE

ASK US MORE

\$500,000

ESG ARCHITECTURE & DESIGN

Heather Whalen
Burt Coffin
Lukas Van Sistine

LLOYD COMPANIES

Jake Quasney
Mike Dill
Luke Jessen
Drew O'Brien
Mark Quasney

GREEN ACRE COMPANIES

Byron Schafersman
Josh Aberson



MBA Investments, LLC

M | B | A |
ARCHITECTS

M | B | A |
DEVELOPMENT COMPANY

STERLING
COMPANIES

401 3rd Ave N Development
MBA Investments Proposal
November 10, 2021

MBA Investments, LLC

505 N. Broadway, Suite 201 • Fargo, North Dakota • 58102
Phone: (701) 271-1551 Fax: (701) 235-5435

City Auditor / Fargo City Hall
225 4th Street N.
Fargo, ND 58102
ATTN: Jim Gilmour

RE: Sale of 401 3rd Avenue N.

Mr. Gilmour:

MBA Investments, LLC is excited to present this proposal to purchase the City Property at 401 3rd Avenue N. in downtown Fargo. Our development team includes the combined resources and skills of the following local companies:

DEVELOPER

- MBA Investments, LLC
Developer with wide range of experience on a number of different projects

ARCHITECT

- Mutchler Bartram Architects, P.C.
Architecture / Engineering firm with 56 years of experience in the Fargo market

CONSTRUCTION MANAGER

- MBA Development Company
General Contractor and Construction Management firm with 41 years of experience in the Fargo market

PROPERTY MANAGER

- Sterling Companies
Property Management services – manage several hundred apartments units in the region

Our team has a wide range of experience as Developer, Architect, Builder and Property Manager. Local projects of note include the development of the Ford Building, The Railyard Complex (Drekker, InterOffice Business Furniture, Railyard Co-Working Offices and Private Residence), Brewhalla Market & Event Space, 300 NP Office Building & Condos, McCormick Place, 404 Place (current home of Side Street Grille), Meadowlark Building and 710 Lofts. Our team has also developed several projects in downtown Moorhead, MN, Fergus Falls, MN, East Grand Forks, MN & West Fargo, ND. All told we have developed over 1,000 apartment units and over 500,000 SF of office, retail and warehouse projects and are well positioned to bring the 3rd Avenue / 14th Street corner in downtown Fargo to life.

We are very excited about our proposal for this corner of downtown Fargo. Our proposal is a self-contained, 5-story, multi-family project with (68) 1 & 2 bedroom apartments, a roof-top terrace, 56 enclosed parking spaces on 1st floor and 14 parking spaces along the alley. The project steps back in height next to the Side Street Grille to avoid structural issues with snow drifting onto the lower roof. The project does not include a basement to avoid issues with under-mining adjacent properties and roadways.

We have worked diligently to create a project that will enhance this area of Downtown and build on the existing activities and energy of downtown Fargo. It purposely does not include any 1st floor commercial space that might compete with existing businesses and reduce on-site parking. Instead, our goal is to provide additional housing options to further enhance the existing businesses in the area.

We believe our approach to developing this site, 1) Enhances the current and on-going development of the Downtown, 2) aligns with Fargo Go2030 Plan, 3) supports the Downtown Master Plan, 4) converts an under-utilized property into a long term, higher taxable asset, 5) enhances activities along the Red River, 6) entirely fits the current scale and activities in this part of Downtown and 7) will be completed well within the City's 3 year completion requirement.

Thank you for providing us the opportunity to present our proposal. We look forward to continued discussions about our project and this site.

Sincerely,

Kevin J. Bartram, President
MBA Investments, LLC



SECTION 1 PROPOSAL

- The MBA Investments Team has studied several different options for the re-development of this site including Mixed Use, Office, Retail and Housing options. We believe our proposal is the strongest, most viable option for the size and location of this site.
- We propose a 5-story multi-family project with 68 units and enclosed, secure parking.

We offer the sum of \$500,000 to the City of Fargo to purchase this site.

DETAILS

- We anticipate a total project cost of \$12.0-\$13.0M including Land Acquisition, Site Demolition and Clean-up, Construction Costs, Architecture, Engineering, Construction Fees, Financing and all miscellaneous project costs.
- Our project does not require any unusual costs or expenses from the City for utilities, streets, sidewalks or other infrastructure.
- We propose a 10 year TIF or combination of 5 year Renaissance Zone plus 5 year TIF (10 years total) to assist with costs unique to this site including demolition of a substantial existing building and other site clean-up work as well as costs related to planned improvements in the public right-of-way and alley.

SECTION 2 PROPOSED PROJECT

SITE PREP

- Demolish the existing structure and construct new building from the ground up
- Includes provisions for asbestos abatement and any environmental clean-up work required
- Retain existing power distribution in the alley

PROJECT DETAILS

- On-grade enclosed (56 spaces) and surface (14 spaces) parking all accessible from the existing alley
- 4 stories of 1 & 2 bedroom apartments
- Structure steps back from existing Side Street Grille structure to avoid snow-loading issues
- Roof-top terrace with views to Broadway and the Red River
- Building entrance along 3rd Avenue with easy access to Broadway to the west and riverfront activities to the east
- Existing sidewalk widths to remain for easy pedestrian circulation
- Maintain existing parallel parking along 4th Street and diagonal parking on 3rd Avenue
- Includes trash chute and dumpster enclosure with trash pick-up off the alley
- Apartment amenities would include large windows, in-unit washer / dryer, designer kitchens / appliances, higher ceilings, enhanced mechanical / lighting, walk-in closets, balconies for many units, and other design features
- Shared amenities include enclosed parking, enhanced security features, trash chute, secure bike storage, motorcycle parking and a roof terrace
- Other amenities such as Fitness Room & Lounge spaces are felt to be unnecessary with this downtown location and purposely not provided to help keep rents more affordable and avoid unnecessary competition with other existing downtown businesses



DESIGN CONSIDERATIONS / PROJECT CONTEXT

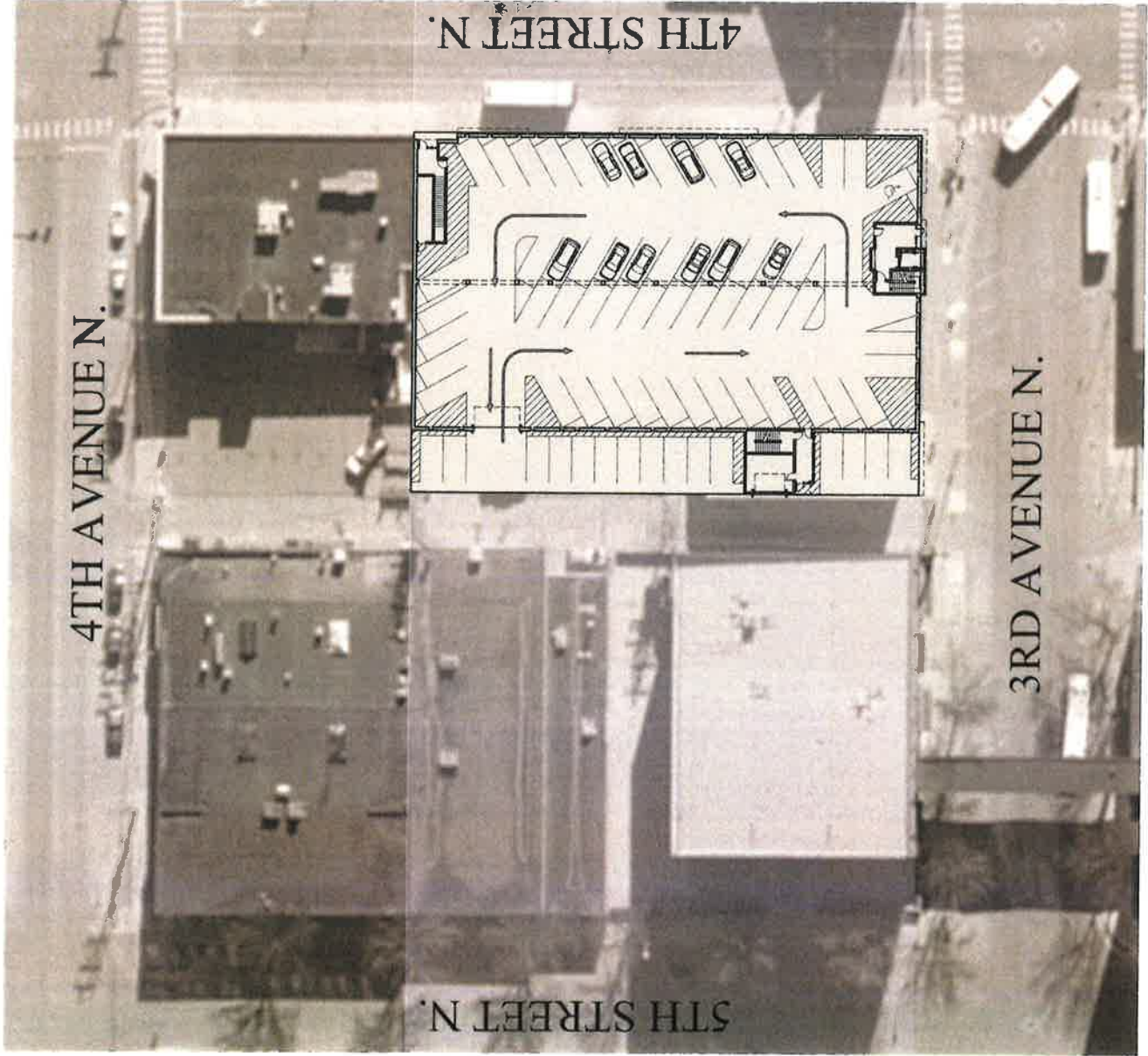
- Primary visibility along 4th Street and 3rd Avenue but visible from all sides. Material selections reflect visibility from all sides
- Public entrance optimizes connections to Broadway to the west and riverfront activities to the east including any future development at the Civic Center block
- Pedestrian friendly sidewalks
- Parking access along the alley
- Scaled to blend with existing 2-5 story buildings in this area of Downtown
- Creates opportunities for original artwork from local or regional artists to be incorporated into the base of the building with the thought to coordinate with the future development of the Civic Center site across the street

AREA SUMMARY / APARTMENT UNIT SUMMARY

	Total Areas		Enclosed Apartment		Totals	
			Parking	Spaces	1BR	2BR
1st Floor	23,733 SF		22,047 SF	1,686 SF	---	---
2nd Floor	18,953 SF			18,953 SF	10	7
3rd Floor	19,475 SF			19,475 SF	10	7
4th Floor	19,475 SF			19,475 SF	10	7
5th Floor	19,475 SF			19,475 SF	10	7
Roof-top	1,202 SF			1,202 SF	---	---
	102,313 SF		22,047 SF	80,266 SF	40	28
					68	

PROPOSED ACCESS / CONSTRUCTION STAGING / SCHEDULE

- Few if any disruptions to existing businesses, streets, etc. except as necessary for new utility connections and crane access which will require some restrictions at times to existing streets
- Our team owns existing property just north of the railroad tracks along 4th Street which will serve as a construction staging area for this project
- Proposed schedule is to start construction in Spring, 2022 and to complete the project in late Summer, 2023





3rd-5th FLOOR PLAN



2nd FLOOR PLAN

PROJECT CONTENT



SECTION 3 DEVELOPMENT TEAM

Developer – MBA Investments, LLC (or assigns)

- Experience developing over 1,000 apartments and over 500,000 SF of office, medical, retail, industrial
- Ford Building
- Railway Complex
- Brewhalle

Architect / Engineer – Mutchler Bartram Architects, P.C.

- 56 year history in Fargo market
- Numerous projects in downtown Fargo

Construction Manager – MBA Development Company

- 41 year history
- In-house carpenters, painters and laborers

Property Manager – Sterling Companies

- In-house property management team currently managing approximately 50 commercial and multi-family projects

